

# SENATE—Saturday, September 30, 1972

The Senate met at 9:45 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

## PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, who art from everlasting to everlasting, with whom there is neither beginning or end, grant Thy servants here increased strength and enlarged resources for days heavy with pressing duties. Teach us once more the promise of Thy Word, "They that wait upon the Lord shall renew their strength." When times are tense and nerves are taut, when the body is weary and the going is hard, help us to know that the eternal God is our refuge and strength and underneath are the everlasting arms. Leaning upon the everlasting arms and trusting in Thy promises, may the words of our mouths, the meditations of our hearts, and the motives determining our deeds be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D.C., September 30, 1972.  
To the Senate:  
Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,  
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, September 29, 1972, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will read the first nomination.

## TENNESSEE VALLEY AUTHORITY

The assistant legislative clerk read the nomination of William Lewis Jenkins, of Tennessee, to be a member of the Board

of Directors of the Tennessee Valley Authority.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

## PACIFIC NORTHWEST REGIONAL COMMISSION

The assistant legislative clerk read the nomination of Jack O. Padrick, of Virginia, to be Federal Cochairman of the Pacific Northwest Regional Commission.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JAVITS. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Does the acting Republican leader desire recognition at this time under the standing order?

Mr. JAVITS. I do not, Mr. President.

## CLOTURE MOTION

Mr. JAVITS. Mr. President, I wish to announce that I shall file a cloture motion when we take up the consumer agency bill.

The ACTING PRESIDENT pro tempore. That will be laid before the Senate at the conclusion of the transaction of routine morning business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour of debate, under rule XXII, begin running at 1 o'clock p.m. on Tuesday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the 1 hour of time under rule XXII be equally divided on Tuesday between and controlled by the distinguished Senator from Connecticut (Mr. RIBICOFF) and the distinguished Senator from North Carolina (Mr. ERVIN).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that all amendments at the desk at the time of the vote on the motion to invoke cloture on Tuesday be considered as having met the reading requirements of rule XXII.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## ORDER FOR ADJOURNMENT FROM MONDAY UNTIL 9 A.M. ON TUESDAY, OCTOBER 3

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the

Senate completes its business on Monday it stand in adjournment until 9 a.m. on Tuesday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of the Senator from Kentucky (Mr. COOK), that Patty Hottell of his staff have the privilege of the floor during the debate on H.R. 1.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, there will be a period of not to exceed 15 minutes for the transaction of routine morning business, with speeches by Senators therein limited to 3 minutes.

Is there morning business to be transacted at this time?

## IMF-IBRD ANNUAL MEETING

Mr. JAVITS. Mr. President, little public mention has been given in Congress to the very important conference that has been going forward in Washington this week; namely, the 1972 annual meetings of the International Monetary Fund—IMF—and the International Bank for Reconstruction and Development—IBRD.

At these meetings, President Nixon and Secretary of the Treasury Shultz put forward very constructive proposals for the long-term reform of the international monetary system and for the reordering of the international economic system of the free world.

With the United States having resumed this leadership position after a hiatus of almost a year, it can be anticipated that the negotiations leading to the reform of the international monetary system will now proceed with a sense of urgency.

I would like to note that Congress also contributed toward making these meetings the success they were. Congress did this by its positive action on the third replenishment of the International Development Association which is the soft loan window of the World Bank and by the Senate's action of last night in voting the full requested amount for the U.S. share of the continued funding of the Asian Development Bank and the Inter-American Development Bank. It is my hope that the House-Senate conferees will maintain this full-funding amount which is so important to the continued successful operations of these increasingly important multilateral lending institutions.

I would also like to draw the attention of my colleagues to another matter which will require legislative attention in the years ahead. As the dollar moves toward becoming a currency like all other currencies and as the international monetary system evolves so that the dollar has the same right to change its par

value as other currencies now do—legislation will be required to change the Bretton Woods Act which now sets a rigid par value for the dollar in terms of gold which cannot be adjusted without prior congressional authorization. In my opinion, this legislation is now obsolete and Congress must begin considering the granting to the President of the United States certain flexibility in terms of changing the par value of the dollar.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I came to the Chamber this morning for the purpose of inserting in the RECORD a significant address delivered this week by the distinguished Secretary of the Treasury, the Honorable George P. Shultz. I am not certain whether the Senator from New York, in his remarks, inserted the address in the RECORD.

Mr. JAVITS. I am about to do it. I will do it, unless the Senator desires to do so.

Mr. HARRY F. BYRD, JR. I entered the Chamber toward the end of the remarks of the able Senator from New York, and for that reason I was not sure whether he had inserted the address in the RECORD.

Mr. JAVITS. I will insert it.

Mr. HARRY F. BYRD, JR. If he had not, I had planned to do so.

I think the speech by Secretary Shultz was splendid. I feel that Secretary Shultz is a very able man. I am delighted to see him as Secretary of the Treasury. Since the distinguished Senator from New York plans to insert the address in the RECORD, I shall not do so.

Mr. JAVITS. Mr. President, I ask unanimous consent that the speeches of President Nixon and Secretary Shultz before the 1972 annual meeting of the IBRD-IMF be printed in the RECORD.

There being no objection, the speeches were ordered to be printed in the RECORD, as follows:

ADDRESS BY THE PRESIDENT OF THE UNITED STATES, RICHARD M. NIXON, AT THE OPENING SESSION OF THE 1972 ANNUAL MEETINGS OF THE BOARDS OF GOVERNORS OF THE FUND, BANK, IFC, AND IDA

It is customary in addressing such a significant international gathering to say that we are participating in a great moment in history. Great moments in history are easy to perceive—headlines blaze, and the world is riveted to television screens as world leaders meet.

But great movements in history are much harder to perceive while we are living through them. The action is slower, less dramatic, infinitely more complex, as changing circumstances and the new needs of people alter the behavior of nations.

I am convinced, on the basis of the evidence of the past year, that we are not only participating in a great moment in history but that we are witnessing and helping to create a profound movement in history.

That movement is away from the resolution of potential conflict by war, and toward its resolution through peaceful means.

The experienced people gathered in this room are not so naïve as to expect the smoothing-out of all differences. We anticipate that the potential for conflict will exist as long as men and nations have different interests, different approaches to life, different ideals.

Therefore, we must come to grips with the paradoxes of peace:

As the danger of armed conflict between major powers is reduced, the potential for economic conflict is increased.

As the possibility of peace grows stronger, some of the original ties that first bound our postwar alliances grow weaker.

As nations around the world gain new economic strength, the points of commercial contact multiply along with the possibilities of disagreement.

There is another irony we should all recognize. With one exception, the nations gathered here whose domestic economies are growing so strongly today can trace much of their postwar growth to the expansion of international trade.

The one exception, of course, is the United States—the industrial nation with by far the smallest percentage of its gross national product in world trade.

Why, then, is the United States—seemingly with the least at stake—in the forefront of those working for prompt and thoroughgoing reform of the international monetary system, with all that will mean for the expansion of trade now and in the future?

One reason, of course, is our national self-interest. We want our workingmen and women and businessmen and women to have a fair chance to compete for their share of the expanding trade between nations. A generation ago, we deliberately set out to help our former enemies as well as our weakened allies so that they could gain the economic strength which would enable them to compete with us in world markets. Now we expect our trading partners to help bring about equal competition.

There is another reason, more far-reaching and fundamental, that motivates the United States in pressing for economic and monetary reform.

Working together, we must set in place an economic structure that will help and not hinder the world's historic movement toward peace.

We must make certain that international commerce becomes a source of stability and harmony rather than a cause of friction and animosity.

Potential conflict must be channeled into cooperative competition.

That is why the structure of the international monetary system and the future system of world trade are so central to our concerns today.

The time has come for action across the entire front of international economic problems. Recurring monetary crises, such as we have experienced all too often in the past decade; unfair currency alignments and trading arrangements, which put the workers of one nation at a disadvantage with workers of another nation; great disparities in development that breed resentment; a monetary system that makes no provision for the realities of the present and the needs of the future—all these not only injure our economies, they also create political tensions that subvert the cause of peace.

There must be a thoroughgoing reform of the world monetary system, to clear the path for the healthy competition of the future.

We must see monetary reform as one vital part of a total reform of international economic affairs, encompassing trade and investment opportunity as well.

We must create a realistic code of economic conduct to guide our mutual relations—a code which allows governments freedom to pursue legitimate domestic objectives but which also gives them good reason to abide by agreed principles of international behavior.

Each nation must exercise the power of its example in the realistic and orderly conduct of internal economic affairs, so that each nation exports its products and not its problems.

We can all agree that the health of the

world economy and the stability of the international economic system rest largely on the successful management of domestic economies.

The United States recognizes the importance of a strong, non-inflationary, domestic economy, both in meeting the needs of our own citizens and in contributing to a healthy world economy. We are firmly committed to reaching our goals of strong growth, full employment and price stability.

We are encouraged by the record of our current economic performance. We are now experiencing one of the lowest rates of inflation, and highest rates of real economic growth, of any industrial nation.

Recent gains in the productivity and the real income of American workers have been heartening. We intend to continue the policies that have produced these gains.

We also recognize that, over the longer term, domestic policies alone cannot solve all international problems. Even if all countries achieved a very large measure of success in managing their own economies, strains and tensions could arise at points of contact with other economies.

We cannot afford a system that almost every year presents a new invitation to a monetary crisis. That is why we face the need to develop procedures for prompt and orderly adjustment.

It is easy enough to say "prompt and orderly adjustment." But that phrase encompasses the real problems of workingmen and women, the fears and hopes of investors and managers of large and small businesses and, consequently, the concern of the political leadership of every nation. No nation should be denied the opportunity to adjust, nor relieved of the obligation to adjust.

In the negotiations ahead, there will be differences of opinion and approach. Immediate interests may appear to conflict. There will be times when impasses develop that may seem impossible to resolve.

But the world has had some experience recently with long, hard negotiations—for example, the strategic arms limitation agreements signed by the Soviet Union and the United States.

That was bilateral negotiation, between two nations and not among 124. But its complexity seemed almost infinite; the obstacles had been hardening for 25 years; the issue of national security was as sensitive a matter as can exist between world powers.

We came to an agreement in Moscow this year because the issue that united us—seeking an end to the wasteful and dangerous arms race—was greater than the issues that divided us.

We reached agreement because we realized that it was impossible for either side to negotiate an advantage over the other. The only agreement worth making was one in which each side had a stake in keeping.

Those two principles can guide us in building the monetary system of the future.

We recognize that the issues that divide us are many and serious. But the impetus that will make this negotiation successful is the force that unites us: a common need to establish a sound and abiding foundation for commerce, leading to a better way of life for all the citizens of the world.

That common need, let us call it the world interest, demands a new freedom of world trade and a new fairness in international economic conduct.

It is a mark of our maturity that we now see that an unfair advantage gained in an agreement today only sabotages that agreement tomorrow. The only system that can work is one that each nation has an active interest in making work.

The need is self-evident. The will to reform the monetary system is here in this room. And in a proverb that has its counterpart in almost every language—where there is a will, there is a way.



We are gathered to create a responsive monetary system—responsive to the need for stability and openness, and responsive to the need of each country to reflect its unique character.

In this way we bring to bear one of the great lessons of federalism: that often the best way to enforce an agreed-upon discipline is to let each member take action to adhere to it in the way that is best suited to local character, stage of development and economic structure.

For its part, the United States of America will continue to rise to its world responsibilities, joining with other nations to create and participate in a modern world economic order.

We are secure enough in our independence to freely assert our interdependence.

These are the principles I profoundly believe should and will guide the United States in its international economic conduct:

We shall press for a more equitable and open world of trade.

We shall meet competition rather than run away from it.

We shall be a stimulating trading partner and a straightforward bargainer.

We shall not turn inward and isolationist.

In turn we shall look to our friends for evidence of similar rejection of isolationism in economic and political affairs.

Let us all resolve to look at the ledgers of international commerce with new eyes—to see that there is no heroism in a temporary surplus nor villainy in a temporary deficit, but to see that progress is possible only in the framework of equilibrium. In this regard we must take bold action toward a more equitable and open world trading order.

Like every leader of the nations represented here, I want to see new jobs created all over the world, but I will not condone the export of jobs out of the United States caused by an unfairness built into the world's trading system.

Let all nations in the more advanced stages of industrial development share the responsibility of helping those countries whose major development lies ahead, and forego the temptation to use that help as an instrument of discrimination or rivalry.

Far more is at stake here than the mechanics of commerce and finance. At stake is the chance to add genuine opportunity to the lives of people in all nations, the chance to add stability and security to the savings and the earnings of hundreds of millions of people, and the chance to add economic muscle to the sinews of peace.

I have spoken this morning in general terms about how we can advance our economic interdependence. Later this week, Secretary Shultz will outline a number of proposals which represent the best thinking of my top economic advisers. I commend these to you for careful consideration.

The word "economics," traced to its Greek root, means "the laws of the house."

This house we live in—this community of nations—needs far better laws to guide our future economic conduct. Every nation can prosper and benefit working within a modern world economic order it has a stake in preserving.

Very little of what is done in these negotiations will be widely understood or generally appreciated.

But history will record the vital nature of the challenge before us. I am confident that the men and nations gathered here will seize the opportunity to create a monetary and trading system that will work for the coming generation—and will help to shape the years ahead into a generation of peace.

STATEMENT BY THE HON. GEORGE P. SHULTZ, SECRETARY OF THE TREASURY AND GOVERNOR OF THE FUND AND BANK FOR THE UNITED STATES, AT THE JOINT ANNUAL DISCUSSION

The nations gathered here have it in their power to strike a new balance in international economic affairs.

The new balance of which I speak does not confine itself to the concepts of a balance of trade or a balance of payments.

The world needs a new balance between flexibility and stability in its basic approach to doing business.

The world needs a new balance between a unity of purpose and a diversity of execution that will permit nations to cooperate closely without losing their individuality or sovereignty.

We lack that balance today. Success in the negotiations in which we are engaged will be measured in terms of how well we are able to achieve that balance in the future.

I anticipate working closely and intensively with you to that end, shaping and reshaping the best of our thinking as we proceed in full recognition that the legitimate requirements of each nation must be meshed into a harmonious whole.

In that spirit, President Nixon has asked me to put certain ideas before you.

In so doing, I must necessarily concentrate my remarks today on monetary matters. However, I am deeply conscious that, in approaching this great task of monetary reform, we cannot neglect the needs of economic development. I am also conscious that the success of our development efforts will ultimately rest, in large measure, on our ability to achieve and maintain a monetary and trading environment in which all nations can prosper and profit from the flows of goods, services and investment among us.

The formation of the Committee of 20, representing the entire membership of the Fund, properly reflects and symbolizes the fact that we are dealing with issues of deep interest to all members, and in particular that the concerns of developing countries will be fully reflected in discussions of the reform of the monetary system.

As we enter into negotiations in that group, we have before us the useful Report of the Executive Directors, identifying and clarifying some of the basic issues which need to be resolved.

We also look forward to participation by other international organizations, with each contributing where it is most qualified to help. The challenge before us calls for substantial modification of the institutions and practices over the entire range of international economic cooperation.

There have already been stimulating contributions to our thinking from a wide variety of other sources—public and private. I have examined with particular care the statements made over the past few months by other Governors individually and the eight points which emerged from the deliberations of the Finance Ministers of the European Community.

Drawing from this interchange of views, and building upon the Smithsonian Agreement, we can now seek a firm consensus for new monetary arrangements that will serve us all in the decades ahead. Indeed, I believe certain principles underlying monetary reform already command widespread support.

First is our mutual interest in encouraging freer trade in goods and services and the flow of capital to the places where it can contribute most to economic growth. We must avoid a breakup of the world into antagonistic blocs. We must not seek a refuge from our problems behind walls of protectionism.

The pursuit of the common welfare through more open trade is threatened by an ancient and recurring fallacy. Surpluses

in payments are too often regarded as a symbol of success and of good management rather than as a measure of the goods and services provided from a nation's output without current return.

We must recognize, of course, that freer trade must be reconciled with the need for each country to avoid abrupt change involving serious disruptions of production and employment. We must aim to expand productive employment in all countries—and not at one another's expense.

A second fundamental is the need to develop a common code of conduct to protect and strengthen the fabric of a free and open international economic order.

Such basic rules as "no competitive devaluation" and "most-favored-nation treatment" have served us well, but they and others needs to be reaffirmed, supplemented and made applicable to today's conditions. Without such rules to guide us, close and fruitful cooperation on a day-to-day basis would not be possible.

Third, in shaping these rules we must recognize the need for clear disciplines and standards of behavior to guide the international adjustment process—a crucial gap in the Bretton Woods system. Amid the debate about the contributing causes of past imbalances and the responsibility for initiative toward correction, sight has too often been lost of the fact that adjustment is inherently a two-sided process—that for the world as a whole, every surplus is matched by a deficit.

Resistance of surplus countries to loss of their surpluses defeats the objective of monetary order as surely as failure of deficit countries to attack the source of their deficits. Any effort to develop a balanced and equitable monetary system must recognize that simple fact; effective and symmetrical incentives for adjustment are essential to a lasting system.

Fourth, while insisting on the need for adjustment, we can and should leave considerable flexibility to national governments in their choice among adjustment instruments. In a diverse world, equal responsibility and equal opportunity need not mean rigid uniformity in particular practices. But they do mean a common commitment to agreed international objectives. The belief is widespread—and we share it—that the exchange rate system must be more flexible. However, important as they are, exchange rates are not the only instrument of adjustment policy available; nor, in specific instances, will they necessarily be the most desirable.

Fifth, our monetary and trading systems are an interrelated complex. As we seek to reform monetary rules, we must at the same time seek to build in incentives for trade liberalization. Certainly, as we look ahead, ways must be found to integrate better the work of the GATT and the IMF. Simultaneously we should insure that there are pressures which move us toward adequate development assistance and away from controls which stifle the free flow of investment.

Finally, and perhaps most fundamental, any stable and well-functioning international monetary system must rest upon sound policies to promote domestic growth and price stability in the major countries. These are imperative national goals for my government—and for yours. And no matter how well we design an international system, its prospects for survival will be doubtful without effective discharge of those responsibilities.

Today is not the occasion for presenting a detailed blueprint for monetary reform. However, I do want to supplement these general principles with certain specific and interrelated ideas as to how to embody these principles in a workable international agreement.

These suggestions are designed to provide stability without rigidity. They take as a

point of departure that most countries will want to operate within the framework of specified exchange rates. They would encourage these rates to be maintained within specified ranges so long as this is accomplished without distorting the fabric of trade and payments or domestic economic management. We aim to encourage freer flows of trade and capital while minimizing distortions from destabilizing flows of mobile capital. We would strengthen the voice of the international community operating through the IMF.

I shall organize these ideas under six headings, recognizing that much work remains to be done to determine the best techniques in each area:

- The Exchange Rate Regime
- The Reserve Mechanism
- The Balance of Payments Adjustment Process
- Capital and Other Balance of Payments Controls
- Related Negotiations
- Institutional Implications

#### 1. THE EXCHANGE RATE REGIME

We recognize that most countries want to maintain a fixed point of reference for their currencies—in other words, a “central” or “par” value. The corollary is a willingness to maintain and support these values by assuring convertibility of their currencies into other international assets.

A margin for fluctuation for market exchange rates around such central values will need to be provided sufficiently wide to dampen incentives for short-term capital movements and, when changes in central values are desirable, to ease the transition. The Smithsonian Agreement took a major step in that direction. Building on that approach in the context of a symmetrical system, the permissible outer limits of these margins of fluctuation for all currencies—including the dollar—might be set in the same range as now permitted for non-dollar currencies trading against each other.

We also visualize, for example, that countries in the process of forming a monetary union—with the higher degree of political and economic integration that that implies—may want to maintain narrower bands among themselves, and should be allowed to do so. In addition, an individual nation, particularly in the developing world, may wish to seek the agreement of a principal trading partner to maintain a narrower range of exchange rate fluctuation between them.

Provision needs also to be made for countries which decide to float their currencies. However, a country that refrains from setting a central value, particularly beyond a brief transitional period, should be required to observe more stringent standards of behavior in other respects to assure the consistency of its actions with the basic requirement of a cooperative order.

#### 2. THE RESERVE MECHANISM

We contemplate that the SDR would increase in importance and become the formal numeraire of the system. To facilitate its role, that instrument should be freed of those encumbrances of reconstitution obligations, designation procedures, and holding limits which would be unnecessary in a reformed system. Changes in the amount of SDR in the system as a whole will be required periodically to meet the aggregate need for reserves.

A “central value system” implies some fluctuation in official reserve holdings of individual countries to meet temporary disturbances in their balance of payments positions. In addition, countries should ordinarily remain free to borrow or lend, bilaterally or multilaterally, through the IMF or otherwise.

At the same time, official foreign currency holdings need be neither generally banned nor encouraged. Some countries may find

holdings of foreign currencies provide a useful margin of flexibility in reserve management, and fluctuations in such holdings can provide some elasticity for the system as a whole in meeting sudden flows of volatile capital. However, careful study should be given to proposals for exchanging part of existing reserve currency holdings into a special issue of SDR, at the option of the holder.

The suggested provisions for central values and convertibility do not imply restoration of a gold-based system. The rigidities of such a system, subject to the uncertainties of gold production, speculation, and demand for industrial uses, cannot meet the needs of today.

I do not expect governmental holdings of gold to disappear overnight. I do believe orderly procedures are available to facilitate a diminishing role of gold in international monetary affairs in the future.

#### 3. THE BALANCE OF PAYMENTS ADJUSTMENT PROCESS

In a system of convertibility and central values, an effective balance of payments adjustment process is inextricably linked to appropriate criteria for changes in central values and the appropriate level, trend, and distribution of reserves. Agreement on these matters, and on other elements of an effective and timely adjustment process, is essential to make a system both practical and durable.

There is, of course, usually a very close relationship between imbalances in payments and fluctuations in reserve positions. Countries experiencing large deterioration in their reserve positions generally have had to devalue their currencies or take other measures to strengthen their balance of payments. Surplus countries with disproportionate reserve gains have, however, been under much less pressure to revalue their currencies upward or to take other policy actions with a similar balance of payments effect. If the adjustment process is to be more effective and efficient in a reformed system, this asymmetry will need to be corrected.

I believe the most promising approach would be to insure that a surfeit of reserves indicates, and produces pressure for, adjustment on the surplus side as losses of reserves already do for the deficit side. Supplementary guides and several technical approaches may be feasible and should be examined. Important transitional difficulties will need to be overcome. But, in essence, I believe disproportionate gains or losses in reserves may be the most equitable and effective single indicator we have to guide the adjustment process.

As I have already indicated, a variety of policy responses to affect the balance of payments can be contemplated. An individual country finding its reserves falling disproportionately would be expected to initiate corrective actions. For example, small devaluations would be freely permitted such a country. Under appropriate international surveillance, at some point a country would have a prima facie case for a larger devaluation.

While we must frankly face up to limitation of the use of domestic monetary, fiscal, or other internal policies in promoting international adjustments in some circumstances, we should also recognize that the country in deficit might well prefer—and be in a position to apply—stricter internal financial disciplines rather than devalue its currency. Only in exceptional circumstances and for a limited period should a country be permitted direct restraints and these should be general and nondiscriminatory. Persistent refusal to take fundamental adjustment measures could result in withdrawal of borrowing, SDR allocation, or other privileges.

Conversely, a country permitting its re-

serves to rise disproportionately could lose its right to demand conversion, unless it undertook at least limited revaluation or other acceptable measures of adjustment. If reserves nonetheless continued to rise and were maintained at those higher levels over an extended period, then more forceful adjustment measures would be indicated.

For a surplus as for a deficit country, a change in the exchange rate need not be the only measure contemplated. Increasing the provision of concessionary aid on an untied basis, reduction of tariffs and other trade barriers, and elimination of obstacles to outward investment could, in specific circumstances at the option of the nation concerned, provide supplementary or alternative means. But, in the absence of a truly effective combination of corrective measures, other countries should ultimately be free to protect their interests by a surcharge on the imports from the chronic surplus country.

For countries moving toward a monetary union, the guidelines might be applied on a collective basis, provided the countries were willing to speak with one voice and to be treated as a unit for purposes of applying the basic rules of the international monetary and trading system.

#### 4. CAPITAL AND OTHER BALANCE OF PAYMENTS CONTROL

It is implicit in what I have said that I believe that the adjustment process should be directed toward encouraging freer trade and open capital markets. If trade controls are permitted temporarily in extreme cases on balance of payments grounds, they should be in the form of surcharges or across-the-board taxes. Controls on capital flows should not be allowed to become a means of maintaining a chronically undervalued currency. No country should be forced to use controls in lieu of other, more basic, adjustment measures.

#### 5. RELATED NEGOTIATIONS

We welcome the commitments which major nations have already made to start detailed trade negotiations under the GATT in the coming year. These negotiations, dealing with specific products and specific restraints need not wait on monetary reform, nor need monetary reform await the results of specific trade negotiations.

Those negotiations, and the development of rules of good behavior in the strictly monetary area, need to be supplemented by negotiations to achieve greater equity and uniformity with respect to the use of subsidies, and fiscal or administrative pressures on trade and investment transactions. Improper practices in these areas distort trade and investment relationships as surely as do trade barriers and currency disequilibrium. In some instances, such as the use of tariff surcharges or capital controls for balance of payments purposes, the linkage is so close that the Committee of 20 must deal with the matter directly. As a supplement to its work, that group can help launch serious efforts in other bodies to harmonize countries' practices with respect to the taxation of international trade and investment, the granting of export credit, and the subsidization of international investment flows.

#### 6. INSTITUTIONAL IMPLICATIONS

As I look to the future, it seems to me that there are several clear-cut institutional requirements of a sensible reform of the monetary and trading system.

Several times today, I have stressed the need for a comprehensive new set of monetary rules. Those rules will need to be placed under guardianship of the IMF, which must be prepared to assume an even more critical role in the world economy.

Given the interrelationships between trade and payments, that role will not be effectively discharged without harmonizing the



rule of the IMF and the GATT and achieving a close working relationship.

Finally, we need to recognize that we are inevitably dealing with matters of essential and sensitive national interest to specific countries. International decision-making will not be credible or effective unless it is carried out by representatives who clearly carry a high stature and influence in the councils of their own governments. Our international institutions will need to reflect that reality, so that in the years ahead national governments will be intensively and continuously involved in their deliberations and processes. Without a commitment by national governments to make a new system work in this way, all our other labors may come to naught.

I am fully aware that the United States as well as other countries cannot leap into new monetary and trading arrangements without a transitional period. I can state, however, that after such transitional period the United States would be prepared to undertake an obligation to convert official foreign dollar holdings into other reserve assets as a part of a satisfactory system such as I have suggested—a system assuring effective and equitable operation of the adjustment process. That decision will, of course, need to rest on our reaching a demonstrated capacity during the transitional period to meet the obligation in terms of our reserve and balance of payments position.

We fully recognize that we have not yet reached the strength we need in our external accounts. In the end, there can be no substitute for such strength in providing the underpinning for a stable dollar and a stable monetary system.

An acceptable monetary system requires a willingness on the part of all of us to contribute to the common goal of full international equilibrium. Lacking such equilibrium no system will work. The equilibrium cannot be achieved by any one country acting alone.

We engage in discussions on trade and financial matters with a full realization of the necessity to continue our own efforts on a broad front to restore our balance of payments. I must add, in all candor, that our efforts to improve our position have, in more than one instance, been thwarted by the reluctance of others to give up an unjustified preferential and highly protected market position. Yet, without success in our endeavor, we cannot maintain our desired share in the provision of aid, and reduce our official debt to foreign monetary authorities.

We take considerable pride in our progress toward price stability, improved productivity and more rapid growth during the past year. Sustained into the future, as it must be, that record will be the best possible medicine not only for our domestic prosperity but for the effective functioning of the international financial system.

My remarks today reflect the large agenda before us. I have raised difficult, complicated, and controversial issues. I did not shrink from so doing for a simple reason: I know that you, as we, want to move ahead on the great task before us.

Let us see if, in Nairobi next year, we can say that a new balance is in prospect and that the main outlines of a new system are agreed. We owe ourselves and each other that effort.

#### THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following measures on the calendar: Calendar No. 1177 through Calendar No. 1183.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### POWER OF ATTORNEY

The Senate proceeded to consider the bill (S. 3203) to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, in order to extend under certain circumstances the expiration date specified in a power of attorney executed by a member of the Armed Forces who is missing in action or held as a prisoner of war which had been reported from the Committee on Armed Services with an amendment in the nature of a substitute.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The bill, with its preamble, reads as follows:

Whereas it is declared to be a policy of the United States Government to assist those members of the military service, and their families, who are listed as missing in action or prisoners of war as a result of the Vietnam conflict; and

Whereas the indeterminable status concerning the ultimate fate of those men so listed as missing in action or prisoners of war has created problems concerning their legal status in management of their personal affairs: Now, therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Soldiers' and Sailors' Civil Relief Act of 1940, as amended (50 U.S.C. App. 501 et seq.), is amended as follows:

(1) Section 101(1) (50 U.S.C. App. 511(1)) is amended by striking out "The term 'persons in military service'" and inserting in place thereof "The term 'person in the military service', the term 'persons in military service'."

"(2) designates that person's spouse, parent, or

"Sec. 701. (a) Notwithstanding any other provision of law, a power of attorney which—

"(1) was duly executed by a person in the military service who is in a missing status (as defined in section 551(2) of title 37, United States Code);

"(2) designates that person's spouse, parent, or other named relative as his attorney in fact for certain specified, or all, purposes; and

"(3) expires by its terms after that person entered a missing status, and before or after the effective date of this section;

shall be automatically extended for the period that the person is in a missing status.

"(b) No power of attorney executed after the effective date of this section by a person in the military service may be extended under subsection (a) if the document by its terms clearly indicates that the power granted expires on the date specified even though that person, after the date of execution of the document, enters a missing status.

"(c) This section applies only to persons in military service who executed powers of attorney during the Vietnam era (as defined in section 101(29) of title 38, United States Code)."

#### EXTENSION OF AUTHORITY TO GRANT SPECIAL 30-DAY LEAVE FOR MEMBERS OF THE UNIFORMED SERVICES WHO VOLUNTARILY EXTEND THEIR TOUR OF DUTY IN HOSTILE FIRE AREAS

The bill (H.R. 14537) to amend section 703(b) of title 10, United States Code, to extend the authority to grant a special 30-day leave for members

of the uniformed services who voluntarily extend their tours of duty in hostile fire areas was considered, ordered to a third reading, read the third time, and passed.

#### MOVING OF DEPENDENTS AND EFFECTS OF CERTAIN MEMBERS OF THE ARMED FORCES

The bill (H.R. 14915) to amend chapter 10 of title 37, United States Code, to authorize at Government expense, the transportation of house trailers or mobile dwellings, in place of household and personal effects, of members in a missing status, and the additional movement of dependents and effects, or trailers, of those members in such a status for more than 1 year was considered, ordered to a third reading, read the third time, and passed.

#### CONTINUATION OF INCENTIVE PAY TO MEMBERS OF THE UNIFORMED SERVICES FOR THE PERIOD REQUIRED FOR HOSPITALIZATION AND REHABILITATION AFTER TERMINATION OF MISSING STATUS

The Senate proceeded to consider the bill (H.R. 14909) to amend section 552 (a) of title 37, United States Code, to provide continuance of incentive pay to members of the uniformed services for the period required for hospitalization and rehabilitation after termination of missing status which had been reported from the Committee on Armed Services with an amendment on page 3, line 4, after the word "period," insert "not to exceed one year."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

#### CONVEYANCE OF CERTAIN PROPERTY IN THE DISTRICT OF COLUMBIA

The bill (H.R. 2895) to provide for the conveyance of certain real property in the District of Columbia to the National Firefighting Museum and Center for Fire Prevention, Inc., was considered, ordered to a third reading, read the third time, and passed.

#### TO ESTABLISH RIGHTS FOR THE BLIND AND OTHERWISE PHYSICALLY DISABLED

The Senate proceeded to consider the bill (H.R. 11032) to enable the blind and the otherwise physically disabled to participate fully in the social and economic life of the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments on page 2, line 11, after the word "a", strike out "guide dog" and insert "dog guide"; in line 14, after the word "the", strike out "guide dog" and insert "dog guide"; in line 21 after the word "a", where it appears the second time,

strike out "guide dog" and insert "dog guide"; on page 3, line 1, after the word "a", where it appears the second time, strike out "guide dog" and insert "dog guide"; in line 5, after the word "a", where it appears the second time, strike out "guide dog" and insert "dog guide"; on page 4, line 11, after the word "a", strike out "guide dog" and insert "dog guide"; in line 12, after the word "a", strike out "guide dog" and insert "dog guide"; and, in line 15, after the word "the", strike out "guide dog" and insert "dog guide".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

#### POLICE PERSONNEL RECORDS OF THE METROPOLITAN POLICE DEPARTMENT

The Senate proceeded to consider the bill (H.R. 11773) to amend section 15 of title 4 of the District of Columbia Code to exclude the personnel records, home addresses, and telephone numbers of the officers and members of the Metropolitan Police Department of the District of Columbia from the records open to public inspection which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

##### TITLE I—POLICE PERSONNEL RECORDS

Sec. 101. Section 389 of the Revised Statutes of the United States relating to the District of Columbia (D.C. Code, sec. 4-135), is amended to read as follows: "The records to be kept by paragraphs 1, 2, and 4 of section 386 shall be open to public inspection when not in actual use, and this requirement shall be enforceable by mandatory injunction issued by the Superior Court of the District of Columbia on the application of any person."

##### TITLE II—COMPENSATION

Sec. 201. On and after the date of the enactment of this Act, the Chairman of the District of Columbia Council shall receive compensation at the rate of \$20,000 per annum, the Vice Chairman of such Council shall receive compensation at the rate of \$15,000 per annum, and each other member of such Council shall receive compensation at the rate of \$12,500 per annum.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended, so as to read: "An act relating to police personnel records and compensation of members of the District of Columbia Council."

#### ORDER OF PROCEDURE ON CONSIDERATION OF H.R. 1 AND S. 3970

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at a time to be determined by the majority leader or his designee on Monday, action on H.R. 1 may be resumed and S. 3970 be set aside temporarily to a time determined by the majority leader or his designee, or until the close of business on Monday, whichever is the earlier.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a time to be determined by the distinguished majority leader on Monday, H.R. 1 be laid aside and consideration be resumed on the Defense Appropriation bill, if not already disposed of, and/or it also be in order for the leader to take up the military construction appropriation bill on Monday if reported by then.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### ORDER TO CALL UP DEFENSE OR MILITARY CONSTRUCTION APPROPRIATION BILLS ON TUESDAY NEXT, IF CLOTURE IS NOT INVOKED

Mr. ROBERT C. BYRD. Mr. President, if cloture is not invoked on Tuesday next on S. 3970, I ask unanimous consent that the Senate proceed immediately after the vote to the consideration of the HEW appropriation bill, with S. 3970 to be laid aside until an hour to be determined by the majority leader or his designee, or until the close of business on Tuesday next, whichever is the earlier; provided, moreover, in that event, that it be in order at any time, on any day, for the majority leader to call up any of the following appropriation bills which may remain to be acted on:

Defense appropriation bill.

Military Construction appropriation bill.

Mr. JAVITS. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. It being understood, when the Senator speaks of S. 3970, that it will be at the times indicated, the unfinished business?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER (Mr. BENTSEN). Without objection, it is so ordered.

#### ORDER TO CALL UP DEFENSE APPROPRIATION, MILITARY CONSTRUCTION, AND HEW APPROPRIATION BILLS FOLLOWING DISPOSITION OF S. 3970 IF CLOTURE IS INVOKED ON TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, if cloture is invoked on Tuesday, next, that it be in order at any time and on any day following disposition of S. 3970, for the majority leader or his designee to call up any of the following appropriation bills which may remain to be acted on:

Defense appropriation.

Military construction appropriation.

HEW appropriation.

Mr. ALLEN. Mr. President, reserving the right to object, may I inquire of the distinguished acting majority leader if this would give the leadership the right to call up any and all appropriation bills prior to calling up H.R. 13915?

Mr. ROBERT C. BYRD. No, no; this request, if acceded to, would be in keeping with the earlier assurance of the distinguished majority leader that back of the busing bill would be the supple-

mental appropriation bill, which is a necessary appropriation bill, and the debt limit revision. The only appropriations bills that would, by my requests, be moved ahead of the busing bill would be defense—which we are on today—military construction, and the HEW appropriation bill, which has already been reported and which is on the calendar.

Mr. ALLEN. May I inquire, then, of the acting majority leader, if it is the plan and intention and the assurance of the leadership that the education bill will be called up and made the pending business and thereafter be the unfinished business prior to calling up the debt limit bill and the supplemental appropriations?

Mr. ROBERT C. BYRD. That is true. The distinguished majority leader has given assurance to the Senator and to the Senate that after S. 3970—the unfinished business—and the welfare bill, H.R. 1, are disposed of one way or another, the busing bill will be the next order of business and will become the unfinished business.

Mr. ALLEN. I thank the distinguished acting majority leader. I want to express my very deep appreciation to the leadership for making this commitment and giving this assurance. Certainly, those of us who want to see the Senate have an opportunity to work its will on this bill could ask for nothing fairer than the plan that the distinguished acting majority leader has just outlined, because of the necessity, if the Government is to continue operating beyond October 31, that the debt ceiling bill be passed, and if some of the departments are to operate at full strength, it will be necessary that the supplemental appropriations also be passed.

So, giving the Senate an opportunity to act on H.R. 13915 prior to taking up those bills is certainly as fair a disposition of this matter as the Senator from Alabama and those who want this bill considered by the Senate could possibly ask for.

Mr. ROBERT C. BYRD. May I say, so that the record will be absolutely clear, that what I have said in response to the questions by the distinguished Senator from Alabama, and that what I have proposed in the unanimous-consent requests does not go one iota beyond—

The PRESIDING OFFICER (Mr. BENTSEN). The time for morning business has expired.

#### ORDER FOR EXTENSION OF MORNING BUSINESS TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be extended an additional 9 minutes, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, would the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) yield me—

Mr. HARRY F. BYRD, JR. I am glad to yield to the Senator my 3 minutes under morning business.

Mr. ROBERT C. BYRD. It does not go



beyond what the distinguished majority leader has already stated on the floor of this Chamber and heretofore.

Mr. ALLEN. I certainly agree with what the distinguished acting majority leader states, but I do not believe it has been stated with such clarity heretofore, so the Senator from Alabama is delighted that there has been outlined in this degree of particularity—

Mr. JAVITS. Mr. President, will the Senator from West Virginia yield to me?

Mr. ROBERT C. BYRD. May I first respond to the Senator from Alabama, and then I will be glad to yield to the Senator from New York.

These orders provide for an orderly sequence of legislative action—

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD (continuing). On the three appropriation bills and on S. 3970, and also on the welfare bill, H.R. 1, so far as we can see with respect to welfare.

We are in a period now when almost anything can happen. We are seeking to complete the people's business by October 14. It is necessary that the appropriation bills be passed. My requests, therefore, would be in keeping with the distinguished majority leader's assurance to the distinguished Senator from Alabama and to the Senate that following action on the welfare bill and S. 3970, the busing bill will be next.

These orders, as I say, would be in keeping entirely with that assurance. At the same time, we would try to move the three appropriation bills, HEW, military construction, and defense, at least through the Senate, so that conferences can be going on in the meantime with the House while the Senate is completing its business on welfare, busing, supplemental appropriations, debt limit, and so forth.

Mr. ALLEN. That is eminently fair, in the opinion of the Senator from Alabama.

Mr. JAVITS. Mr. President, will the Senator from West Virginia yield to me now?

Mr. ROBERT C. BYRD. I am happy to yield to the Senator from New York.

Mr. JAVITS. This is the first time I have heard the bills actually laid out. In other words, I have heard the distinguished majority leader give assurances to the distinguished Senator from Alabama (Mr. ALLEN) that the busing bill, the so-called antibusing bill, would be called up and that there would be "must" legislation behind it. But I have not heard the bills laid out specifically and that the "must" legislation behind it would be the supplemental and the debt limit. I have not heard that done.

Therefore, I ask the distinguished acting majority leader whether this represents, now, a new implementation of that commitment or whether—perhaps I did not hear it as I have not combed the RECORD—the distinguished majority leader actually named those bills specifically as the bills which would wait on disposition of the antibusing bill.

Mr. ROBERT C. BYRD. I want to be sure I do not misquote the distinguished majority leader. I can only say that this is my understanding of what his intention is. He has stated specifically that

once the bill S. 3970, and the welfare bill, H.R. 1, are disposed of, the busing bill will be next.

All that I have done here, if my requests are agreed to, will be to assure that the majority leader will be in a position to move the HEW appropriation bill, the military construction bill, and the defense appropriation bill—on which we do not know what will happen today—to the Senate floor for action at any times he deems best while S. 3970 and H.R. 1 are being disposed of.

Mr. JAVITS. I do not intend to object to the request, but I do think that the record needs clarification as to whether the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) is doing one of the following things:

Is he making a new commitment with respect to what will be behind the antibusing bill?

Is he implementing a commitment made by the distinguished majority leader, or is he simply restating what he understood the distinguished majority leader to have stated?

I thought he was doing the last. That little bit misled me.

Mr. ROBERT C. BYRD. I am doing the last.

Mr. JAVITS. In other words, he is making no new commitments, no implementations. I believe he is only stating what the majority leader already stated.

Mr. ROBERT C. BYRD. Exactly; I would be in no position to make any new commitments without the approval of the majority leader. I may in my statements this morning have left the wrong impression, which I hope I have not.

Mr. JAVITS. I think the Senator has clarified it, so long as we are dealing with what the majority leader has assured us or not assured us, we can always find out.

Mr. ROBERT C. BYRD. Mr. President, let me state precisely what I am doing here and what I think the majority leader has said.

Mr. President, I ask unanimous consent that I may proceed for 5 minutes if necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the majority leader has stated—I think I am quite right in saying unequivocally—that once the welfare bill and the consumer protection bill has been disposed of, one way or the other, the busing bill will be next. Now, that is all he has said.

Mr. JAVITS. And he also said, if the Senator will yield, that behind it will be must legislation.

Mr. ROBERT C. BYRD. Yes; behind it will be "must" legislation.

Mr. JAVITS. I heard him say that.

Mr. ROBERT C. BYRD. He did not define what that "must" legislation will be.

Mr. JAVITS. That is exactly right and that is what worries me, until the Senator said so very specifically.

Mr. ROBERT C. BYRD. Mr. President, let me be sure the record is clear on what I meant to say. So much for the majority leader and what he meant to say. That is clear I will not go beyond that.

Now, second, the request I have pro-

pounded today would merely provide for almost any contingency that would arise, so as to protect the majority leader in bringing to the Senate floor the HEW appropriations bill, the defense appropriations bill, and the military construction appropriations bill, prior to action on the busing bill.

Mr. JAVITS. Mr. President, if the Senator will yield, what the Senator has stated in his last remarks is exactly as I understand it. I thought he went considerably further in answer to Senator ALLEN's question, and it worried me. That is why I just wanted to get the principle laid down that he is not making new commitments or implementations of commitments according to his own ideas, but that he believed he was simply reporting to the Senate what he understood the majority leader had in mind.

Mr. ROBERT C. BYRD. Mr. President, may I say, I would never make any new commitment without having been authorized by the distinguished majority leader. If I did, it would be through error.

In answer to the question of the distinguished Senator from Alabama (Mr. ALLEN), I think I was right in saying that once the busing bill is taken up, at least insofar as these provisions here are concerned, the supplemental appropriations bill and the debt limit revision bill would be still down the road.

Mr. ALLEN. Yes; that is exactly what the Senator from Alabama said.

Mr. ROBERT C. BYRD. This request does not go to either of those bills.

Mr. ALLEN. Yes; the Senator from New York pointed out that the majority leader had promised to bring the school bill up while there was still must legislation behind it.

Now the distinguished acting majority leader has stated that it is the assurance that that particular must legislation will be the debt ceiling bill and the supplemental appropriation.

Mr. ROBERT C. BYRD. Mr. President, I think I must have been misread. In my own judgment, the requests I have made here do not touch—I know they do not touch—either the supplemental bill or the debt limit bill. These requests have only to do with the three appropriation bills—HEW, defense, and military construction—and are meant to try to deal with any of several contingencies which could arise. For example, if today the Senate would go out for lack of a quorum and the defense appropriations bill would not have been completed, on Monday morning the very first thing required would be to get a live quorum and a vote on whatever amendment might have been pending at the time the Senate adjourned on Saturday because of the lack of a quorum. Programing problems could then arise.

So, I am trying to put the majority leader in a position on Monday morning and afterward so, that if something should happen today or later, he would be in a position to handle whatever situation may arise.

The PRESIDING OFFICER (Mr. BENTSEN). The Senator's time has expired.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that the Senator from Alabama be recognized for 3 minutes and that the time for morning business be extended accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I want the distinguished majority leader to be in a position on Monday morning—if he wants to proceed with H.R. 1 or the Defense appropriations bill—to do so.

Mr. ALLEN. Mr. President, as the Senator from Alabama understands it, even if the school bill is made the unfinished business, the agreement would be that the bills listed by the distinguished Senator, the defense appropriation bill, the HEW appropriation bill, and the military construction bill, could be called up ahead of the unfinished business which, by that time, would be the school bill, but that the debt ceiling and the supplemental appropriations could not under this agreement be called up ahead of the school bill. Is that correct?

Mr. ROBERT C. BYRD. No, that is not correct. The agreement does not provide for their being called up.

Mr. ALLEN. I understand.

Mr. ROBERT C. BYRD. It merely provides—entirely apart and without any consideration whatever on the supplemental appropriations and the debt limit bills—for the majority leader to have authority with which he can move the HEW appropriation bill and the military construction appropriation bill and the defense appropriation bill forward. He may not have any problems with either of these bills. But as we look down the road today, contingencies could arise.

Mr. ALLEN. That is fine, but as the Senator from Alabama understands it, when the two items, the two tracks—HEW and the consumer protection measure—are disposed of, the school bill will come up next. That is an undisputed commitment. Then there is no commitment under the request by the distinguished Senator at this time that the debt ceiling bill or the supplemental appropriations could be brought in ahead of the school bill.

Mr. ROBERT C. BYRD. Mr. President, the request I have made leaves those two bills unaffected.

Mr. ALLEN. I understand the Senator, and I thank him.

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, my last request has not been acted upon.

Mr. ALLEN. Mr. President, I have no objection. I withdraw my reservation of an objection to the request. I did not object, but I did reserve the right to object.

The PRESIDING OFFICER. Without objection, the unanimous-consent request of the Senator from West Virginia is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I want to be sure where we were when we paused. I will repeat the unanimous-consent request. My unanimous-consent request was that if cloture is invoked on Tuesday, it be in order at any time on any day following the disposition of S. 3970 for the majority leader to call up any of the following appropriation bills

which may remain to be acted upon—defense appropriations bill, military construction appropriations bill, and HEW appropriations.

The PRESIDING OFFICER. Without objection, the unanimous-consent request of the Senator from West Virginia was agreed to. That is the understanding of the Chair as to the previous request.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at any time prior to 1 p.m. Tuesday for the majority leader to call up H.R. 1 or any of the following appropriations bills if not by then disposed of, Defense appropriations or military construction appropriations.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senate for its indulgence, and I thank all Senators for their patience and cooperation.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 667. A bill to designate certain lands in the Lassen Volcanic National Park in California as wilderness (Rept. No. 92-1248).

By Mr. MANSFIELD, from the Committee on Appropriations with amendments:

H.R. 16754. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1973, and for other purposes (Rept. No. 92-1249).

#### SOCIAL SECURITY AMENDMENTS OF 1972—AMENDMENTS

##### AMENDMENT NO. 1663

(Ordered to be printed.)

Mr. HARRY F. BYRD, JR., proposed an amendment to the bill (H.R. 1) to amend the Social Security Act to increase benefits and improve eligibility and computation methods under the OASDI program, to make improvements in the medicare, medicaid, and maternal and child health health programs with emphasis on improvements in their operating effectiveness, to replace the existing Federal-State public assistance program with a Federal program of adult assistance and a Federal program of benefits to low-income families with children with incentives and requirements for employment and training to improve the capacity for employment of members of such families, and for other purposes.

##### AMENDMENT NO. 1664

(Ordered to be printed and to lie on the table.)

Mr. SCOTT submitted an amendment intended to be proposed by him to the bill (H.R. 1).

Mr. SCOTT. Mr. President, I send an amendment to H.R. 1 to the desk and ask that it be printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, the amendment I am submitting is a total substitute of the House-passed version of titles

IV and V, with some minor conforming modifications.

I do not know what the final outcome of this debate will be. I am convinced, however, that our existing welfare mess must be reformed, and I believe that all proposals should be before us. I am also assured that the President is strongly behind the House-passed reform bill and that he considers it "must" legislation for this year.

Lest it be too conveniently forgotten, President Nixon was the first to submit a comprehensive welfare reform plan.

To say that he supports no reform merely on the basis that he favors one of the pending proposals over the others is patently ridiculous in a body where there are usually 100 different views on each proposal that is brought before it. By such reasoning, the same could be said of any Senator who has expressed an allegiance to one proposal or another. Indeed, as I have stated on earlier occasions, I believe that some of the proposals which are now embodied in amendment No. 1614, introduced by the Senator from Connecticut, have merit. But if there is one point on which the President and I are in total agreement, it is that there must be a solution, and soon.

It is the House-passed proposal which has the President's support. The House of Representatives itself spent many months deliberating over it. It should be before the full Senate, and at the appropriate time, given suitable circumstances, I expect to call my amendment up for a vote.

#### ADDITIONAL STATEMENTS

##### COMPULSORY DISCLOSURE OF NEWS SOURCES

Mr. FULBRIGHT. Mr. President, I am cosponsoring legislation (S. 3925) with the Senator from North Carolina (Mr. ERVIN) and the Senator from Kansas (Mr. PEARSON) to protect newsmen from compulsory disclosure of information in Federal criminal proceedings when such disclosure is not necessary for the proper functioning of the criminal justice system.

The bill, which is similar to legislation I have previously sponsored, is designed to insure that freedom of the press is secure from unwarranted Government interference. Any infringement of press freedom, any intimidation of journalists, particularly by the Government, undermines the strength of our society and the role of the press as public watchdog.

The need for this legislation was made apparent by the Supreme Court's decision June 29 in *Branzburg* against Hayes. The Court, in a 5-to-4 decision, held that the first amendment grants no protection to newsmen from compulsory disclosure of information to the Government.

The decision, as Justice Stewart observed in his dissent, reflects a "disturbing insensitivity to the critical role of an independent press in our society."

On the same day, June 29, the Court made another, corollary decision affecting information flow. In *United States*



against Gravel, involving the Senator from Alaska, the Court denied the existence of any constitutional link between the legislative duties of a Member of Congress and the information he receives or sends to his constituents. This decision, and that in *United States against Brewster*, moved the Senator from North Carolina (Mr. ERVIN) to comment:

The Court's recent decisions have so restricted this ["speech or debate"] immunity that Members of Congress can no longer independently acquire information on the activity of the executive branch nor inform their constituents of their findings without risking criminal prosecution. Indeed as a result of these decisions it is even possible that in certain situations a Members' speech or vote on the Floor may subject him to inquiry and intimidation by the executive or judicial branch. These two decisions represent important defeats for Congress and constitute a further deterioration of its power and independence in relation to the Executive and Judicial Branches.

Writing in the *Columbia Journalism Review*, Dr. Norman E. Isaacs, former *Louisville Courier-Journal* and *Times* editor, past president of the American Society of Newspaper Editors, now editor in residence of Columbia's Graduate School of Journalism, said of the Court's June 29 decisions:

These cases and the Pentagon Papers decision of last year—which involved temporary prior restraint—leave adherents of a free press no reason to be sanguine. The best hope for protection of news sources now appears to lie in passage of federal and state "shield" laws.

My sponsorship of earlier "newsman's privilege" was primarily motivated by the Justice Department's efforts to subpoena reporters' notes, confidential materials and television tapes. Reporters at CBS and NBC were served with 112 subpoenas between January 1969 and July 1971. The *New York Times* reporters alone received 18 subpoenas in 1969–70, compared with 12 for the 5 preceding years.

In July 1971 then Attorney General Mitchell released "guidelines" regarding the issuance of subpoenas which tended to limit their use. However, under the guidelines the Government can subpoena unpublished information, even if confidential. And when "emergencies and other unusual situations" occur, the Government may issue a subpoena "which does not exactly conform to the guidelines."

In the recent Supreme Court decision—involving three newsmen in separate cases—the Court's majority seemed oblivious of the chilling effect of that decision on the freedom of the press to investigate, expose and report without fear of governmental interference. The decision represents a direct assault on the public's right to know. As the *New York Times* editorialized:

By forcing newsmen to reveal their sources of information to a grand jury, the Court is in fact undermining the whole basis of the confidential relationship between a reporter and his sources, which is the only basis on which much information of vital importance to the public can be revealed.

As many have pointed out, it is the public that will be the principal victim of the Court's amazingly constricted

viewpoint. It will be much more difficult to obtain and publish information involving matters, that perhaps for ulterior motives, governmental bodies may wish to conceal. Justice Douglas noted in his dissent:

As the years pass, the power of government becomes more and more pervasive. It is a power to suffocate both people and causes.

These newsmen were not claiming an absolute privilege in all circumstances, but protection against grand jury questioning except when there was a special reason to believe they possessed information for which there was a compelling need.

The Court's decision did suggest that the legitimate claims of reporters to privilege might best be protected by effective legislation. Justice Powell, while concurring with the majority, made a special point of his belief that newsmen do have constitutional rights "in safeguarding their sources," and that governmental authorities are not free to "annex" the news media as "an investigative arm of government."

Mr. President, 18 States, including Arkansas, have some form of "shield" law, which generally provide protection of confidentiality. It is appropriate and important that we have a uniform national standard as would be established by this legislation, and which would put an end to ambiguities, doubts, and fears. That is the purpose of this bill and I believe that it constitutes a reasonable balance between law enforcement and freedom of the press.

As the *Washington Post* stated in a recent editorial:

A free, enterprising, responsible, but unfettered press is perhaps more important to our nation now than any time in our history.

Mr. President, this legislation deserves serious and thorough consideration. I think we must assure that our newsmen remain free to inform the public and do not become agents of the Government.

#### ANNOUNCEMENT OF POSITION ON A VOTE

Mr. THURMOND. Mr. President, I was necessarily absent when the Senate took up Mr. PROXMIRE's amendment to H.R. 16705, the foreign aid appropriations bill.

Mr. President, had I been present and voting, I would have voted in favor of this amendment, which would have reduced the appropriations for the Inter-American Development Bank.

#### THE RISING COST OF HEALTH INSURANCE

Mr. KENNEDY. Mr. President, a provocative and timely article recently appeared in the *New England Journal of Medicine*, 287:13, September 28, 1972. In a study conducted in Boston, Weiss, Wiese, and Kleinman point out that operating expenses for 74 Blue Cross and 73 Blue Shield plans rose over 60 percent between the years 1965 through 1969, when calculated on a per-enrollee basis.

I think it is important to note that this period marked a period of rapidly increasing Federal involvement in the

purchase of health insurance on behalf of the American people, and as a prime customer for many of the companies in question.

This article examines the performance record of Blue Cross and Blue Shield, generally considered to be the best of the lot as far as health insurers are concerned. If the implications of this study are valid, I hate to think of what is occurring in the commercial health insurance industry.

The authors note that a ninefold spread exists in operating costs per enrollee between the plans with the highest and lowest operating costs. They go on to note that it was not possible to correlate increases in operating expenses with specific variables. The point is that the information simply does not exist which would enable Government or anyone else to determine why the increase took place or how to account for it. Is it because of increased inefficiency, or is it, as an invited editorial accompanying the article suggests, because of increasing policing activity on the part of the insurance companies? This article, I believe, points out many of the difficulties inherent in a highly fragmented, highly diversified health insurance system. How, with over 1,400 different health insurance companies, can the Federal Government or any other purchaser of health care services ever hope to be able to impose requirements which would help identify the components of the cost of health insurance? How, with over 1,400 different plans providing different coverage, having different exclusions, conditions, preconditions, and other "hookers" as well as differing levels of deductibles and coinsurance, can any sense be made out of the current situation?

Apparently, health insurance companies do not have the capability to identify their expenses in terms of claims per enrollees, claims by type, enrollee groups by type, or any other variable which would enable them to control costs effectively.

The article, I believe, reinforces my view that health insurance companies simply act as a pass through for money, and do not have the ability, even if they had the will, to control health care costs. This inability arises from the simple fact that they themselves do not know where the dollars they collect from their subscribers for "health care" really go. I believe the article is a strong argument in favor of a uniform national health insurance plan. To continue to expend public funds when accountability is impossible to achieve is grossly irresponsible. I commend the authors for this fine work, and I ask unanimous consent that the entire article be printed in the *RECORD*, along with its accompanying editorial, and a *New York Times* letter to the editor, dated August 31, 1972.

Also, Mr. President, I ask unanimous consent that a story about the Weiss article, written by Richard Knox, and published in the *Boston Globe* of September 28 be printed in the *RECORD*.

There being no objection, the items were ordered to be printed in the *RECORD*, as follows:

## BLUE CROSS COSTS SOAR, STUDY SHOWS

(By Richard A. Knox)

Operating costs of Blue Cross and Blue Shield plans across the nation have skyrocketed over the past seven years, outpacing even the rate of health care inflation, according to an analysis published by three Harvard researchers.

The report reveals a jump between 1965 and 1969 of more than 60 percent in administrative costs per subscriber in the country's two largest health insurance systems.

During that period, Massachusetts Blue Cross and Blue Shield nearly doubled the cost of processing claims, on a per-enrollee basis. The rate of increase was 98 percent for Massachusetts Blue Shield and 95 percent for Blue Cross, placing them among the plans with the highest rates of administrative inflation.

The study was conducted by Dr. Robert J. Weiss, Dr. William Wiese and Dr. Joel C. Kleinman of the Harvard Center for Community Health and Medical Care.

They suggested in an article in *New England Journal of Medicine* and in interviews that their findings justify a hard look at the efficiency of the Blues and the commercial health insurance industry before contemplating either as a vehicle for any national health insurance plan.

Analyzing 74 Blue Cross and 73 Blue Shield plans, the Harvard researchers concluded that if all plans operated as efficiently as a few apparently exemplary ones do, the Blues' 140 million subscribers could have saved \$119 million in 1969.

The study analyzed nine factors that might explain the rise in operating costs, comparing plans with high costs against those with lower costs per subscriber.

Taken together, these factors—which included the impact of Medicare and the increase in number of claims filed for each enrollee—accounted for only a third of the variation in operating expenses from one plan to another.

Nationally, that variation was found to range from \$1.18 to \$8.74 per Blue Cross subscriber per month. Among Blue Shield plans the administrative costs swung from 99.5 cents a month per subscriber to \$9.42 a month.

As an example of the effect of administrative inflation, the Harvard researchers cited a Boston-area institution with a Blue Cross-Blue Shield contract which found itself paying an administrative expense of \$15.72 per claim—while more than a third of all its employees' claims were under \$20.

This example illustrates the practice, they said, of setting administrative costs as a percentage of the total claims.

"Up to the present, there has been no incentive for private health insurance companies to monitor their own costs, because these are always passed on directly to the consumer," they wrote.

According to Weiss, they found even more disturbing another implication of this practice of determining operating costs: "What incentive exists for Blue Cross or Blue Shield to exercise any control over prices in the health care system," they asked, "when any increase in the costs of health care results in an increased income for operating expenses under the same work load?"

Interviewed in advance of the study's publication, Blue Cross and Blue Shield officials here and at the national level said the figures do not reflect inefficiency and poor management, but rather the increased expense of trying to control medical inflation and offer subscribers more elaborate benefit packages.

"We take a great deal of pride in our low administrative costs," said Henry D. Jones, president of Massachusetts Blue Cross, citing operating expenses of about 4 percent of the \$323 million in annual income from subscribers.

At the same time, however, Jones confirmed that an independent consulting firm had issued a report two or three years ago which found the company's performance was "very poor in some areas," in Jones's phrase—notably its computer operations.

He said the company's main administrative "trauma" was its acceptance of a contract to serve as the Medicare carrier for Massachusetts.

"It didn't seem (in 1966) that the administrative burden of Medicare would be very great," he said. "But we miscalculated. . . . Our regular business operation became less efficient as our best people were transferred to Medicare."

Jones contended that the consultants' stern recommendations have been implemented largely. But he has refused to release a copy of the report to allow an examination of its specific recommendations. Several Blue Cross board members said they have never seen the document.

John Larkin Thompson, president of Massachusetts Blue Shield, also defended his company against the report's implication of inefficiency. He said it was worth spending more money on claims review to cut down on unnecessary doctor claims, but produced no data to demonstrate the cost effectiveness of higher operating expenses in recent years.

The argument put forward by Jones and Thompson was echoed last night by Walter J. McNerny, president of the national Blue Cross Association, who said in a statement to *The Globe*:

"It is important to note that Blue Cross increased its efforts to control health care costs during this period, and this led to higher administrative expenses by various plans."

However, McNerny said he recognized that "administrative costs are an important issue in the current national health insurance debate, and . . . more facts are needed."

McNerny previewed the researchers' article for the *New England Journal of Medicine* and reportedly tried to stop its publication. The *Journal* printed it, but solicited an accompanying editorial from Thomas B. Fitzpatrick, director of medical and hospital administration at University of Pittsburgh.

Fitzpatrick is a former vice president of Blue Cross of Western Pennsylvania, a prior affiliation that the *Journal* neglected to mention. In his editorial Fitzpatrick said:

"Higher administrative costs for Blue Cross and Blue Shield, although they partly result from inflation, are mainly good news for the consuming public. Administrative expenses that are very low would seem to reflect inadequate functioning of the plans rather than inefficiency."

In an interview, Weiss said that if Blue Cross and Blue Shield have spent substantial sums since 1965 on mechanisms to control health care inflation, they have failed to show the money spent has been worth it in savings to subscribers.

## TRENDS IN HEALTH-INSURANCE OPERATING EXPENSES

(By Robert J. Weiss, M.D., William H. Wiese, M.D., and Joel C. Kleinman, Ph. D.)

**Abstract:** An examination of the operating expenses of 74 Blue Cross plans and 73 Blue Shield plans from 1965 through 1969 revealed that on a per enrollee basis, operating expenses nationally rose 66.2 per cent for Blue Cross and 60.6 per cent for Blue Shield plans. The rate of increase is sharper than for hospital daily charges from 1967 to 1969. The variation among Blue Cross plans in their 1969 operating expense per enrollee ranges from a low of \$1.18 to a high of \$8.74.

The data raise serious questions about the desirability of expressing operating expenses of private health-insurance companies only as a percentage of subscription income. The

inflation of operating expenses in private health insurance justifies a cautionary approach in the evaluation of those proposals for regulating private health-insurance companies, especially if they are to be used as fiscal intermediaries or carriers in public programs. More data are needed for an adequate assessment.

The continuing and rising concern with the cost of medical care in the United States has focused on many components of the medical-care dollar, including the cost for health insurance. Recently, Mr. Elliot Richardson, Secretary of Health, Education, and Welfare, in discussing the need for regulation of private health-insurance companies, advocated, among other things, legislation that would "require insurers to disclose their administrative expenses as a percentage of premiums."<sup>1</sup> Support for such regulatory legislation has been voiced in Congress, as well as by a number of state insurance commissioners. The evidence given for the need for regulation has been the steadily rising health-insurance premium. The insurance companies have cited increasing costs of hospital daily charges as responsible for the increasing premiums, and have maintained that the explosive 15 per cent annual increase in hospital daily charges between 1965 and 1969 has been unjustified and must be controlled.

Several of the proposals under consideration for a program of national health insurance would have private health-insurance organizations either provide the insurance with premiums subsidized in varying degree by the government or serve, as they do in Medicare programs, as fiscal intermediaries or carriers for the disbursement of funds to the disparate and scattered array of health providers that make up the medical-care system. It is therefore important to know what the costs of such proposals would entail.

Although it is essential to examine the operating expenses of all private health-insurance plans, the data for such an examination are not published in a usable form. We have focused, therefore, on the Blue Cross-Blue Shield plans for which operating-expense data have been published.

The operating expenses for all Blue Cross-Blue Shield plans in the United States for 1969, which amounted to \$479 million, represent 8 per cent of the total dollars paid in claims by Blue Cross-Blue Shield during that year.

In a recent analysis of the financial experience of Blue Cross-Blue Shield plans for the period 1965-1969, reported in a *Research and Statistics Note of the Social Security Administration*,<sup>2</sup> operating expenses of plans were reported as a percentage of subscription income. The report cited a rise in the national operating expense of Blue Cross from only 4.5 per cent to 5.8 per cent—an increase of 1.3 percentage points in that four-year period. The national Blue Shield figures reveal a rise from 8.8 per cent in 1965 to 11.1 per cent in 1969, or a rise of 2.3 percentage points of subscription income. Since the percentage is computed on total subscription income, which reflects the highly inflated hospital daily charge, it became apparent to us that the dollar rise in operating expenses would be very large. Thus, the problem posed is not whether regulation is needed, but whether a percentage of premium is the proper item to regulate.

To compare the regulation of the actual increase in operating expenses of Blue Cross-Blue Shield for this period with the rise in health-care costs, it is more appropriate to examine the national data on operating expenses in terms of dollar costs on a per enrollee basis rather than to analyze them as a percentage of subscription income. This method allows for changes in enrollment and permits an analysis of real changes in oper-

Footnotes at end of article.



ating expenses in terms of comparable units of measurement, adding a new dimension in assessing overall health-insurance costs. Although the data on operating expenses per enrollee are reported in the Social Security Research and Statistics Note,<sup>2</sup> there has been no analysis of the trends of these expenses over the period of the greatest inflation of health-care costs in the United States.

The purpose of this report is to examine trends in the national data of operating expenses of the Blue Cross-Blue Shield plans on a per enrollee basis for the period 1965 to 1969. The analysis is limited by the available published data. No data were found that report the number of claims processed by each plan according to type of claim and amount spent on processing different types of claims. The data analyzed are thought to be indicative of the unavailable, but more explicit, information.

In examining the financial experience of the Blue Cross and Blue Shield plans for the period 1965-1969, Mueller<sup>2</sup> reports the total operating expenses of the plans as operating

expense per enrollee by year. This figure represents the average cost of administration, enrollment, and claims processing for each enrollee by year. These expenses are reported both as a percentage of subscription or premium income and as a dollar amount per enrollee. In 1965, the average operating expense per enrollee in the 74 Blue Cross plans was \$2.18. In 1969, the comparable expense per enrollee in 74 Blue Cross plans was \$3.63. The dollar increase of \$1.45 from 1965 to 1969 represents a rise of 66.2 per cent (Table 1).

With 1965 as a base of 100, the national Consumer Price Index, medical price indexes,<sup>3</sup> and operating expense per enrollee of Blue Cross and Blue Shield are shown in Figure 1 (not printed in the Record) for 1965 to 1969. The rate of increase of Blue Cross-Blue Shield operating expenses per enrollee is not accounted for by the general inflation alone. It is apparent that the Blue Cross-Blue Shield operating expense per enrollee has risen more sharply than even hospital daily charges from 1967 to 1969.

Tables 1 and 2 show the changes in en-

rollees, subscription income, claims expenses, and operating expenses for all Blue Cross and Blue Shield plans as totals and per enrollee. Analysis of data not presented here indicates that plans with high operating expense per enrollee in 1965 remain high in 1969.

The large percentage increase in per enrollee operating expense might be explained by a large increase in claims per enrollee. An analysis of the partial data available on claims per enrollee<sup>4</sup> in Blue Cross plans reveals little relation between the total claims per enrollee and the operating expense per enrollee on a yearly basis (Fig. 2 not printed in the Record). (Claims data were not available for those with complementary coverage.)

There is wide variation among the various Blue Cross plans in their 1969 operating expense per enrollee (Fig. 3 not printed in the Record). The operating expense per enrollee in Blue Cross ranges from a low of \$1.18 to a high of \$8.74. The operating expense per enrollee in Blue Shield ranges from a low of \$0.95 to a high of \$9.42.

TABLE 1.—BLUE CROSS ENROLLMENT, COSTS, AND EXPENSES, 1965 AND 1969<sup>1</sup>

Year <sup>2</sup>	A	B	C	D	B/A	C/A	D/A
	X 1000				Amount per enrollee per year		
	Number of enrollees	Subscription income	Claims expense	Operating expense	Subscription income	Claims expense	Operating expense
1965.....	61,651	\$3,031,470	\$2,887,187	\$134,559	\$49.17	\$46.83	\$2.183
1969.....	70,620	\$4,419,156	\$4,322,341	\$256,227	\$62.58	\$61.21	\$3.681
Percent change (total).....	14.5	45.8	49.7	90.4	27.3	30.7	66.2

<sup>1</sup> Data computed from Mueller.

<sup>2</sup> As of Dec. 31.

In 1965, the average operating expense per enrollee in 73 Blue Shield plans was \$2.20. In 1969, the comparable expense per enrollee for the same 73 plans was \$3.53. The dollar increase of \$1.33 from 1965 to 1969 represents a rise of 60.6 per cent (Table 2).

A number of factors were examined to determine whether they accounted for the variability. Multiple-regression analysis (using 73

plans for which the data were available) was performed with Blue Cross operating expenses per enrollee as the dependent variable. Nine independent variables were included: size of plan (enrollment); geographic location (nine regions were specified); percentage of non-group enrollment; percentage of complementary insurance (those over 65 in the Plan's service area who have supplementary cover-

age to Medicare with the Blue Cross plan); outpatient visits per enrollee (excluding complementary coverage); inpatient admissions per enrollee<sup>4</sup> (excluding complementary coverage); percentage of civilian population enrolled in plan; ratio of Medicare claims expense to regular claims expenses<sup>5</sup> (only 1968 data were available for this item); and benefit expense per enrollee under regular business.

TABLE 2.—BLUE SHIELD ENROLLMENT, COSTS AND EXPENSES, 1965 AND 1969<sup>1</sup>

Year <sup>2</sup>	A	B	C	D	B/A	C/A	D/A
	X 1000				Amount per enrollee per year		
	Number of enrollees	Subscription income	Claims expense	Operating expense	Subscription income	Claims expense	Operating expense
1965.....	52,669	\$678,333	\$1,190,486	\$115,940	\$25.04	\$22.60	\$2.201
1969.....	62,955	\$1,318,915	\$1,834,495	\$222,514	\$31.89	\$32.63	\$3.534
Percent change (total).....	19.6	52.2	54.1	91.9	27.4	44.4	60.6

<sup>1</sup> Data computed from Mueller.

<sup>2</sup> As of Dec. 31.

The regression analysis accounted for only 35 per cent of total variation among plans. The only significant regression coefficients (at the 5 per cent level) were the percentage of civilian population enrolled in area served by a plan, outpatient visits per enrollee, and claims expense per enrollee.

The variables used in the regression analysis were the only ones available. If data had been available on variables such as number of claims, type of claims, number and types of providers and utilization by subscriber, a higher percentage of the variation among plans might have been accounted for. It should be clear, then that an adequate data base on subscribers, utilization, and expenses per claim is needed to identify what factors explain the variation in operating expenses.

The significance of this variability can be seen in the financial performance of Blue Cross plans for the year 1969. The total loss of all Blue Cross plans for the year 1969 was \$89 million, including excess of claims expense and administrative expenses over subscription and all other income. If all Blue

Cross plans had been able to operate at an operating cost per enrollee of \$1.94 (Rochester, New York, Blue Cross) instead of the average of \$3.63 per enrollee, the total operating cost would have been \$119 million less than it actually was. As a result, the 1969 financial experience of the total Blue Cross plans would have shown an excess of \$29.9 million income over claims and administrative expenses. Even if all the plans were operating at a cost per enrollee of \$2.75 (the mode of the distribution), the resulting financial experience would have decreased the deficit by \$62 million—i.e., by 70 per cent. It is quite clear that small differences in operating costs per enrollee can make sizable differences in the gross amount of health expenditures.

#### DISCUSSION

The foregoing description of the increasing operating costs per enrollee per year in Blue Cross and Blue Shield plans raises many questions that require answers. The data available do not permit the analysis of the reasons either for the increases in operating

costs or for the tremendous variability among plans.

One explanation that has been offered for the increase in operating expense is the introduction, beginning in 1965, of automated processing systems. If the increase is accounted for by this fact, the data for future years should reflect a substantial drop in operating expense.

Much of the increase in operating cost may come from increased review of claims and from the problems that arise when a plan offers a large number of different benefit packages. Some Blue Cross plans offer as many as 23 to 25 different policies with different exclusions and coverage. In general, Blue Cross plans do not cost account claims processing or the difference in processing costs that may arise with varying deductibles or coinsurance. It may be that the increased review of claims is beneficial in reducing overutilization or excess charges. However, it is impossible to determine whether the increased review costs the consumer more than it saves him, or whether the processing of claims under contracts with coinsurance and deductibles costs more

Footnotes at end of article.

than the income produced therefrom. Additional study is obviously necessary to answer these questions. Answers will be forthcoming only if the providers collect the data that will make such an analysis possible.

Examples of the kinds of information needed to analyze the variability of operating expenses, by plan, but now unavailable include: age, sex, family size of subscribers according to plan and type of contract; claims made according to age, sex, type of contract and type of service; and actual unit costs of the claims review process under different contracts, including costs associated with the processing of coinsurance features and deductibles.

Without this information it is not possible to determine whether population distribution may affect utilization and claims processing costs. No information is available about the demographic characteristics of subscribers covered by each plan so that it is currently impossible to provide a denominator that will give accurate utilization rates. These data are essential to permit useful and productive cost-effectiveness analysis for management decisions, as well as to develop other measures of effectiveness of private health-insurance operations.

Thus, the variability among plans should be examined on the basis of numbers of claims processed and of type of claims when an adequate internal auditing and cost-accounting system makes those data available. We believe, however, that the variability shown is so great that this additional analysis will not explain it, and that the variability is due in part to a lack of adequate cost controls.

The following two examples, although not permitting generalizations, indicate the need for collecting the data necessary for improved analysis of vital policy issues.

We recently reviewed a self-insured institution's arrangements with a Blue Cross and Blue Shield plan to act as the fiscal payer of claims to providers and policyholders. Blue Cross processed, reviewed and paid the claims and submitted a monthly bill to the institution for all claims paid under the extended benefit plan, plus 15.5 per cent of this dollar amount as a service charge. A review of every 10th claim paid during the period July 1, 1969, to June 30, 1970, revealed that the mean claim was \$101, with the median claim \$48.40. More than 1/2 of all claims were under \$20. The average service fee per claim was \$15.72. Surely, there is a question about reimbursement that is set as a percentage of the dollar claim with no cost accounting of claim-processing expenses. What incentive exists for Blue Cross or Blue Shield to exercise any control over prices in the health-care system, when any increase in the cost of health care results in an increased income for operating expenses under the same work load?

A second example recently reported by Blue Shield of Massachusetts is the statement that "Blue Shield has saved its customers \$607,000 this past year by improved claims reviews." The "saving" of \$607,000 was on a total of \$157 million of claims. Since no adequate cost figures have been collected, and no cost accounting of claims review is presently done on a per enrollee or per claim basis, it is impossible to do more than speculate about whether there was, in fact, a saving, or whether the cost of claims review may have exceeded the stated "saving."

These two examples may be isolated cases. They do illustrate, however, the types of problems encountered in a limited look at the operation of a Blue Cross plan. In both examples, there may be alternative explanations for the observations noted.

Certainly, regulation of health insurance seems to be more complex than setting a simple percentage figure of the premium

without any knowledge of what is being done in the name of "operating expenses." Control for what seems to be unaccounted-for variation (of operating expenses) among plans requires more central accountability of Blue Cross-Blue Shield plans and a careful assessment of the administrative cost of wide varieties of benefit packages, as well as the cost of monitoring deductibles and coinsurance programs. These measures are required to make decisions regarding a national health-insurance plan, as well as to determine whether the existing carriers should be used as the vehicle for a national health-insurance plan.

It seems apparent that in many plans, review and monitoring of claims might be undertaken on a statistical-sample basis, as is now done by the Internal Revenue Service. Studies should be undertaken to provide the management data necessary to modify existing procedures.

Up to the present, there has been no incentive for private health-insurance companies to monitor their own costs, because these are always passed on directly to the consumer. If the health-insurance industry is viewed as an industry whose unit product is a paid claim, and this product has to compete in the marketplace, there will be an incentive for careful cost accounting of the operating expenses per enrollee or per claim processed.

Clearly, regulation of the health-insurance industry will have to be based on the results of more sophisticated data collection than is currently employed. Controlling the percentage of premium, which simply ensures the carrier of receiving its share of any excess inflation in the costs of health care, with no accountability, is not a tenable solution.

#### FOOTNOTES

<sup>1</sup> Administration to ask regulation for private health insurance companies. Wall Street Journal 178:2, October 20, 1971.

<sup>2</sup> Mueller MS: Enrollment, coverage, and financial experience of Blue Cross and Blue Shield plans, 1969. Research and Statistics Note No. 4. Washington, DC, Social Security Administration, April 21, 1971.

<sup>3</sup> Horowitz LA: Medical care prices fact sheet 1966-1970. Research and Statistics Note No. 2. Washington, DC, Social Security Administration, March 23, 1971.

<sup>4</sup> Singen AG: Blue Cross enrollment and utilization report for the Blue Cross Plans in the United States, Canada and Jamaica, 4th Quarter, 1969. Chicago, Blue Cross Association, 1970.

<sup>5</sup> Reed LS, Dwyer M: Private Health Insurance Organizations as Intermediaries or Fiscal Agents Under Government Health Programs (Staff Paper No. 7). Washington, DC, Social Security Administration, Office of Research and Statistics, 1971.

<sup>6</sup> Blue Shield subscribers benefit from two active cost containment programs. Health Care Today 1 (2):8, 1972.

#### THE NEED FOR THE BEST HEALTH CARE AND THE BEST HEALTH INSURANCE—ADDRESS BY SENATOR KENNEDY

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the RECORD an address by the distinguished senior Senator from Massachusetts (Mr. KENNEDY) before the American Academy of Family Physicians in New York City on September 27.

The address deserves careful reading; and one reading it will find an extremely interesting, understandable, and humane exposition of the need for the best health care, with the best method of health insurance, but always with the background of the needs of those seeking care

and the preeminent need for the family physician.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR EDWARD M. KENNEDY BEFORE THE AMERICAN ACADEMY OF FAMILY PHYSICIANS, NEW YORK, SEPTEMBER 27, 1972

I am grateful for the opportunity to speak this morning to so many distinguished representatives of American physicians. I am especially grateful to be with the men and women who are the real "front line" of American medicine, the family physicians. Your special relationship to patients, the vigor and discipline of your practice, your long hours and devotion to your fellow citizens give you a unique perspective on health care. It is a perspective that all of us in public life must admire and try to understand.

During the past two years, I have had many opportunities to sit at conference tables with physicians in hospital board rooms and medical schools in every section of our country. I am deeply impressed by the thought physicians have given to health care in the nation—about the problems we have, and about what we should do to correct them. I am also deeply impressed with the energy, basic good will, and professional dedication of physicians.

What I have found in this respect as a member of the Senate matches my own personal health care experience. My family and I are deeply grateful for the benefits we have received from American medicine and for the skill and wisdom of so many fine physicians who have helped us.

I believe that America's health professionals, and especially America's physicians, are the backbone of health care in the nation. Without your strong and creative efforts, we will never solve any of our health problems in America. The reason I am here today is to make it clear that I view America's physicians as the key to any health reform. Most important, I intend to protect the rights of America's physicians in any effort Congress makes to improve our health care system.

I believe we are moving into the final lap of debate on the issue of national health insurance. I believe that a program of such insurance will be enacted into law before the next Congress adjourns two years from now.

Some months ago, Chairman Wilbur Mills of the House Ways and Means Committee and I joined together in offering a joint statement of principles for a national health insurance program. Two days later, as Chairman Mills told me, Dr. Wesley Hall, the President of the American Medical Association, was in the Chairman's office expressing alarm—not so much at the content of the statement, as at the fact the Chairman was involved with Ted Kennedy. Mr. Mills reassured Dr. Hall by saying "Ted and I are going to look out for you. We're going to write a bill that's good for everybody."

I believe we can and will write such a bill—but only if we understand each other's position clearly and build an area of broad agreement that all of us accept.

That is why I am here this morning. From the very outset of the debate on America's health crisis, I have tried to address the range of problems which concern physicians. Let's take them one by one:

Perhaps the most important single problem is, Who will pay your bill? No one knows this problem better than the family practitioner. You know how hard it is to collect your fee for services rendered. Less than 50 percent of Americans have health insurance for the services physicians perform outside the hospital. Most of your fees for office treatment are paid out of the patient's own pocket, without the benefit of Blue Shield or any other insurance program.



For some patients, that's no problem. But for millions of average Americans, especially those who live on fixed incomes or have a chronic illness, it often means a real dilemma for you the doctor—perhaps, against your better judgment, you admit them to a hospital for treatment, so their insurance can pay the bill. Or, perhaps you go ahead and treat them in the office anyway, and simply write off part of the bill they ought to pay.

I don't believe that any doctor in America should have to practice medicine that way. I don't believe that any doctor should have to write off reasonable fees. I don't believe that any doctor ought to have to hire a bill collector to chase his patients. Our society expects you to treat everyone, and turn no one away. Our society should also guarantee that you are paid a reasonable fee. A decent national health insurance system will guarantee that.

But your fee problems don't end with patients who cannot pay. The biggest headache of all is dealing with the insurance companies.

Most patients want the doctor to handle this—because the patients don't know how. And that's the beginning of your problem. There are close to 1,200 companies writing health insurance in America today. They sell all kinds of different policies, with different coverages and different benefits, different deductibles and different coinsurance.

And each company has its own peculiar forms to fill out. Each company handles its own claims differently. You're never sure how much of the bill the insurance will cover, so you never know how much to bill the patient in addition. And sometimes it takes forever to get paid. Sometimes the insurance company sends you—not a check in satisfaction, but more complicated forms—because the company is looking for an excuse to reduce or refuse to pay the claim.

To top it off, when you finally get through the red tape, the patient is often caught short by how little the insurance pays. Few Americans understand their insurance—most are surprised and angry—and sometimes they take it out on you, the physician.

Think of all the time your secretaries waste in dealing with insurance companies. Think of all the time you waste yourself. Think of all the time and money America wastes on this confusing and inefficient system.

It doesn't have to be this way. There is no reason to maintain his kind of fragmented, disorganized health insurance system in America. We have the ability to create a better system, a system in which the doctor knows that every patient is insured for the services he provides.

We can create a system with a single claims form, and a single procedure to deal with any claim. In short, we can create a system that lets a physician be a doctor—not also a bookkeeper or a C.P.A.

Another important problem now before us is, Who will train the doctors we need?—Not just the doctors the medical schools like to produce, not just the specialists who attract the most prestige, but the doctors the nation needs. Our country needs more primary care physicians. We need more physicians in family practice. We need them because there are some communities where only they can do the job. We need them because in all communities they have an essential role to play in organizing other specialties around the patient's basic wants.

We see the problem everywhere, but we fail to try to solve it. Across America today, hundreds of counties and thousands of communities have no physicians at all. In countless others, the number of physicians is dwindling rapidly, as respected family practitioners retire or move away, and no replacement come.

Let me tell you two stories I have heard first hand to illustrate the problem.

When our Senate Health Subcommittee

was in Kingwood, West Virginia, last year, Dr. Delroy Davis told me about his year-long efforts to convince a young physician to join him in his practice. The waiting lines have been getting longer and longer in Kingwood in recent months. Two of the nine physicians who had practiced there died a year ago. Another left to begin a residency in neurosurgery. Dr. Davis received applications from over 100 specialists, mostly surgeons, who wanted to work in family practice until they could launch their specialty themselves. He received only four applications from family practitioners, although they were the physicians Kingwood needed most.

Later, in hearings we held in Washington, our committee heard from Dr. Robert MacBride, a family practitioner in Lubec, Maine. He described his impossible 18 hour days, and how he had tried for twenty years to find an associate to meet the need. He's no horse and buggy doctor, either. He uses every modern tool. He sends EKGs by telephone to Bangor. In his office he has a Medex veteran from Vietnam and a medical student working with him and studying at Dartmouth College.

Why can't we do more to help these doctors? Why can't we work together to meet the need?

You can't say this academy hasn't tried. Two years ago, we passed a major bill to provide the assistance family doctors can really use—\$225 million in Federal aid to hospitals and medical schools for family practice programs. And a veto from the President.

In legislation passed since then, we've tried to meet the need. At last, the dollars are beginning to flow in earnest. I'm proud to have worked with you in our early efforts in the past, and I look for even greater success in coming years, as men of good will in both political parties move to join you in your cause.

The next great problem is the efficiency and quality of care. Again, this is an area in which the specialty of family practice has helped to take the lead. As a pioneering specialty, you have shown great boldness in refusing to certify physicians under a "Grandfather Clause," and requiring meaningful recertification every six years.

When all of the 20 medical specialties have followed your lead in this, American medicine will have taken a giant step toward assuring high quality medical care for all the people.

The world of family practice can also lead the way to higher quality by helping organizing health care more efficiently. In most communities today, we spread primary physicians and specialists all over town, and the particular man the patient sees is often left to chance.

Naturally, most specialists in modern medicine are apt to approach a patient from the perspective of their special training. And so, if a patient goes directly to a surgeon, without seeing a primary care physician first, he is likely to find himself in surgery when he may not really need it. I am not necessarily implying any evil practice here. I am implying, though, that most specialists are apt to see the patient from too narrow a perspective. Nor am I limiting myself to surgery—the same can probably be said of any other specialty. The problem is not the specialist—it is the system, which too often ignores the patient and his family, leaving them to chance encounters in a maze of medicine they can never understand.

We need family practitioners to organize the patient's care, to improve quality and efficiency in every situation. You can improve diagnosis, and insure that all possible treatments are considered. You can eliminate duplicate tests, and assemble a decent medical record for a patient and his family. Moreover, I believe the family physician can fill this

role while practicing on a fee-for-service, solo-practice basis.

I believe, however, that we can also make improvements in these areas if health professionals, including family physicians, organize into prepaid group practices—or health maintenance organizations. The evidence indicates such forms of practice are highly efficient in many areas.

I don't believe every physician should choose prepaid group practice—I don't even believe that a majority can or will. But I do believe that those who are interested in this form of practice should have the opportunity, and that the government should help to underwrite the efforts to make it possible, just as Government underwrites so many other areas of medicine today.

The national health insurance plan I support, the Health Security Act, allows all varieties of medical practice—whether solo, fee-for-service practice; or prepaid group practice; or anything in between. It is not the program's intent to stifle any form of practice. Instead, we want to encourage all forms of practice that improve efficiency and quality.

What I have described so far are some of the important problems in the health care system which national health insurance must try to solve. Let me turn now to a series of guarantees I have tried to formulate to protect the fundamental principles important to American physicians.

The first guarantee is that the federal government in this nation must not own the hospitals or employ the physicians. I do not want to build a British health care system in the United States. I do not want socialized medicine in America.

What the federal government must do is assure that no American who needs health care is prevented from getting good care because he can't afford it, or because there aren't enough doctors, or because facilities aren't available, or because of any other reason that we have the ability to prevent.

I believe in maintaining the free enterprise system in this country and in American medicine. In fact, I would like to see even more variety, and more competition in the health care system between different forms of health care. I look forward to a day when physicians can practice in solo practice, in HMOs, in medical foundations, in large groups, or in any other way that is efficient and beneficial to the patients and doctors, too. I believe we can create a uniquely American health care system that will preserve free enterprise for the doctors, and still offer your patients the financial support and adequate care they need.

My second guarantee is that we must not remove the freedom of every physician to choose where and how he provides health care, just as we must not remove the freedom of the patient to choose how he receives that care. I do not want to "hijack" medical students into particular specialties or locations because that's what an almighty government says they should be trained for or where they should be sent. We will never produce decent health care by methods such as that.

What we must do is create every possible incentive, every possible attraction to young physicians to enter fields of practice and sections of the country where the need for health is not being met today. We must create new patterns of care and take every possible step to assure that where the need is greatest, the opportunity for a rewarding professional career is also greatest.

Nor do I want Americans to be assigned as patients to one physician or another, or to one organization or another for their health care. In sum, I want Americans to have maximum choice in this regard. Only in this way can we produce a system that is fair to doctors and patients alike.

My third guarantee is that the federal government must not make medical judgments

or interfere in the clinical decisions between a doctor and his patient. What we must do is encourage physicians to take the actions necessary to assure Americans that they are receiving the finest possible care that American medicine can offer.

My fourth guarantee is that we must not create an over-arching federal agency in Washington, telling every area and community in this nation exactly how they must offer health care. What we must do is to set national guidelines and standards, within which local agencies can develop the best possible health care programs for the doctors and patients in their areas.

And so in closing, let me emphasize again that I subscribe completely to these guarantees, and I am confident that they will be at the heart of any national health care legislation which Congress may enact.

You and I both know that it is not an easy life to practice medicine today. But we also know, as President Kennedy liked to say, that we cannot pray for easy lives—we must pray to be stronger men.

Together, I believe that men and women in public life can work constructively as partners with members of the health professions to build our common future. And in that task, it is we in public life who have much to learn, and it is you who have much to teach us.

No one stands on a higher or more well-deserved pedestal in our national life today than the doctors of America. Think of the inspiration you give the young, the comfort you bring the old, the hope you give us all. The miracle of your healing power—your grace and skill, your learning and compassion—are qualities that will never dim with time. They serve as beacons to the nation, continuing daily reminders of how much we could accomplish in other areas of our nation's challenge, if only we had your vision and commitment to meet the need.

Perhaps it isn't too much to say that we see our task much as Michelangelo saw his sculpture—to free the magnificent figures imprisoned in his stone. We in Congress want to work with you to free the American physician from the shackles that imprison you, and thereby enable you to fulfill your own high calling, to carry out the pledge you made in the words of the Hippocratic Oath:

"I will follow that method of treatment, which, according to my ability and judgment, I consider for the benefit of my patients."

That is the standard we must meet, as we work together for the good of our common American future.

#### FEDERAL REVENUE SHARING FUNDS FOR MASSACHUSETTS

Mr. KENNEDY. Mr. President, the Senate-House conference committee has now completed its work on H.R. 14370, the Federal Revenue Sharing Act, and the official tabulation of figures prepared by the staff of the Treasury Department has just become available, indicating the amounts that State and local governments throughout the country will receive under the act for the calendar year 1972.

Mr. President, the information now available is of great interest and importance to State and local officials in the Commonwealth of Massachusetts and I ask unanimous consent that the tabulation for my State be printed in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

CVXIII—2079—Part 25

#### Federal revenue sharing funds for Massachusetts, calendar year 1972

[In dollars]

Total grant to Massachusetts... 163,000,000  
Grant to State government... 44,300,000  
Grant to all local governments... 118,700,000

The detailed information available with respect to the distribution of funds to local governments within the Commonwealth of Massachusetts is given as follows:

(1) The total grants to local governments within the State.

(2) The amount returned to the State government to use as it sees fit because of the application of the 50 percent limitation to local governments. This amount may ultimately be somewhat larger than shown since there may be amounts which municipalities under 2,500 in population and townships may not receive because of the limitation. In general, the 50% limitation provides that the amount of revenue sharing funds going to any county government or municipality may not exceed 50% of adjusted taxes from its own sources plus intergovernmental transfers.

(3) The total amount going to all governmental units within each county area. The county areas are arranged alphabetically within the State.

(4) The total amount going to the county government itself.

(5) The total amount going to all municipal governments in the county with populations of over 2,500.

(6) The total amount going to all municipal governments with populations of under 2,500.

(7) The total amount going to all townships in the county. Where there are no townships or the township government does not raise any revenue, a "0" is shown for this entry.

(8) A breakdown of the amount going to each municipal government within the county with a population of over 2,500 is shown. Distributions also are to be made to smaller municipalities, but this is not shown in this tabulation. Some municipalities are located in more than one county. Where this is true, the name of the city is followed by the word "(Part.)" In such a case, it is necessary, in order to obtain the total payment going to the city, to add together the amounts going to it from the two or more applicable county areas.

#### Revenue sharing funds for Massachusetts

[In dollars]

Total State grant to all locals... 118,654,534  
Amount returned to Massachusetts State government is... 275,226  
Barnstable County area... 2,269,170  
Barnstable County government... 319,159  
Total to all cities over 2,500... 0  
Total to all cities under 2,500... 0  
Total to all townships... 1,970,011  
Barnstable Town... 373,811  
Bourne Town... 261,524  
Chatham Town... 100,822  
Dennis Town... 178,729  
Falmouth Town... 424,774  
Harwich Town... 124,504  
Orleans Town... 11,669  
Provincetown Town... 31,774  
Sandwich Town... 97,545  
Yarmouth Town... 215,759

Berkshire County area... 2,963,614  
Berkshire County government... 270,292  
Total to all cities over 2,500... 1,705,590  
Total to all cities under 2,500... 0  
Total to all townships... 987,732  
North Adams City... 527,220  
Pittsfield City... 1,178,370  
Adams Town... 224,821  
Cheshire Town... 24,768  
Dalton Town... 103,370  
Great Barrington Town... 65,630

Lanesborough Town... 29,839  
Lee Town... 102,297  
Lenox Town... 91,753  
Williamstown Town... 79,233

Bristol County area... 9,075,801  
Bristol County government... 586,231  
Total to all cities over 2,500... 6,027,895  
Total to all cities under 2,500... 0  
Total to all townships... 2,461,675  
Attleboro City... 614,010  
Fall River City... 2,683,377  
New Bedford City... 2,125,144  
Taunton City... 605,363  
Acushnet Town... 108,034  
Dartmouth Town... 273,961  
Dighton Town... 37,360  
Easton Town... 284,258  
Fairhaven Town... 266,037  
Freetown Town... 47,352  
Mansfield Town... 100,853  
North Attleboro Town... 249,899  
Norton Town... 109,284  
Raynham Town... 60,620  
Rehoboth Town... 61,883  
Seekonk Town... 138,995  
Somerset Town... 340,312  
Swansea Town... 128,678  
Westport Town... 224,615

Dukes County area... 163,397  
Dukes County government... 34,697  
Total to all cities over 2,500... 0  
Total to all cities under 2,500... 0  
Total to all townships... 134,699  
Essex County area... 11,040,680  
Essex County government... 736,397  
Total to all cities over 2,500... 6,675,405  
Total to all cities under 2,500... 0  
Total to all townships... 3,627,878  
Beverly City... 535,449  
Gloucester City... 414,068  
Haverhill City... 819,886  
Lawrence City... 1,155,195  
Lynn City... 1,788,410  
Newburyport City... 224,867  
Peabody City... 615,421  
Salem City... 1,123,109  
Amesbury Town... 274,319  
Andover Town... 287,719  
Boxford Town... 22,655  
Danvers Town... 389,848  
Essex Town... 49,289  
Georgetown Town... 43,971  
Groveland Town... 49,006  
Hamilton Town... 64,596  
Ipswich Town... 264,735  
Lynnfield Town... 119,183  
Manchester Town... 76,250  
Marblehead Town... 198,179  
Merrimac Town... 31,329  
Methuen Town... 444,615  
Middleton Town... 50,831  
Nahant Town... 66,021  
Newbury Town... 26,897  
North Andover Town... 204,042  
Rockport Town... 88,619  
Rowley Town... 38,857  
Salisbury Town... 115,728  
Saugus Town... 448,285  
Swampscott Town... 163,236  
Topsfield Town... 51,954  
Wenham Town... 27,809

Franklin County area... 895,174  
Franklin County govt... 157,719  
Total to all cities over 2,500... 0  
Total to all cities under 2,500... 0  
Total to all townships... 737,455  
Deerfield town... 20,875  
Greenfield town... 264,458  
Montague town... 99,059  
Northfield town... 42,223  
Orange town... 61,018  
Hampden County area... 9,617,144  
Hampden County govt... 539,517  
Total to all cities over 2,500... 6,910,386  
Total to all cities under 2,500... 0  
Total to all townships... 2,167,241



## Revenue sharing funds for Massachusetts—Continued

[In dollars]

Chicopee city.....	759,106	Nantucket County area.....	104,513	Auburn Town.....	176,140
Holyoke city.....	1,371,963	Nantucket County government.....	0	Barre Town.....	14,610
Springfield city.....	4,443,226	Total to all cities over 2,500.....	0	Blackstone Town.....	72,678
Westfield city.....	336,091	Total to all cities under 2,500.....	0	Boylston Town.....	46,657
Agawam town.....	376,937	Total to all townships.....	104,513	Charlton Town.....	72,059
East Longmeadow town.....	153,524	Nantucket Town.....	104,513	Clinton Town.....	218,841
Hampden town.....	56,082	Norfolk County area.....	8,625,434	Douglas Town.....	30,011
Longmeadow town.....	87,164	Norfolk County government.....	388,636	Dudley Town.....	136,779
Ludlow town.....	265,976	Total to all cities over 2,500.....	1,432,659	Grafton Town.....	102,155
Monson town.....	112,538	Total to all cities under 2,500.....	0	Harvard Town.....	51,283
Palmer town.....	150,042	Total to all townships.....	6,812,139	Holden Town.....	90,230
Southwick town.....	138,124	Quincy City.....	1,432,659	Hopedale Town.....	102,432
West Springfield town.....	573,675	Avon Town.....	97,815	Lancaster Town.....	58,293
Wilbraham town.....	126,528	Bellingham Town.....	174,604	Leicester Town.....	109,798
Hampshire County area.....	1,847,581	Braintree Town.....	500,294	Lunenburg Town.....	100,295
Hampshire County government.....	185,160	Brookline Town.....	507,605	Mendon Town.....	49,946
Total to all cities over 2,500.....	473,896	Canton Town.....	286,618	Milford Town.....	310,708
Total to all cities under 2,500.....	0	Cohasset Town.....	86,228	Millbury Town.....	166,610
Total to all townships.....	1,188,525	Dedham Town.....	431,944	Northborough Town.....	127,967
Northampton City.....	473,896	Dover Town.....	19,262	Northbridge Town.....	163,548
Amherst Town.....	278,367	Foxborough Town.....	205,312	North Brookfield Town.....	37,622
Belchertown Town.....	164,384	Franklin Town.....	340,048	Oxford Town.....	286,482
Easthampton Town.....	205,975	Holbrook Town.....	154,264	Paxton Town.....	14,251
Granby Town.....	76,110	Medfield Town.....	92,690	Rutland Town.....	30,056
Hadley Town.....	30,941	Medway Town.....	122,941	Shrewsbury Town.....	279,258
Hatfield Town.....	44,366	Town of Millis.....	99,395	Southborough Town.....	49,758
Southampton Town.....	22,249	Milton Town.....	249,662	Southbridge Town.....	187,846
South Hadley Town.....	194,253	Needham Town.....	322,525	Spencer Town.....	100,748
Ware Town.....	77,399	Norfolk Town.....	26,387	Sterling Town.....	22,519
Middlesex County area.....	23,654,930	Town of Norwood.....	323,780	Sturbridge Town.....	33,943
Middlesex County government.....	1,846,127	Plainville Town.....	36,474	Sutton Town.....	46,113
Total to all cities over 2,500.....	12,720,811	Randolph Town.....	239,559	Templeton Town.....	26,315
Total to all cities under 2,500.....	0	Sharon Town.....	100,209	Upton Town.....	48,216
Total to all townships.....	9,087,992	Stoughton Town.....	447,522	Uxbridge Town.....	107,195
Cambridge City.....	2,078,601	Walpole Town.....	428,258	Warren Town.....	24,823
Everett City.....	938,076	Wellesley Town.....	174,810	Webster Town.....	229,427
Lowell City.....	2,170,217	Westwood Town.....	147,781	Westborough Town.....	140,680
Malden City.....	1,265,002	Weymouth Town.....	993,579	West Boylston Town.....	36,453
Marlborough City.....	345,763	Wrentham Town.....	202,573	West Brookfield Town.....	57,171
Medford City.....	1,103,115	Plymouth County area.....	6,025,975	Westminster Town.....	41,171
Melrose City.....	312,763	Plymouth County government.....	420,359	Winchendon Town.....	85,650
Newton City.....	727,363	Total to all cities over 2,500.....	1,776,157		
Somerville City.....	2,060,476	Total to all cities under 2,500.....	0		
Waltham City.....	1,081,998	Total to all townships.....	3,829,459		
Woburn City.....	647,439	Brockton City.....	1,776,157		
Acton Town.....	173,883	Abington Town.....	177,214		
Arlington Town.....	643,558	Bridgewater Town.....	154,722		
Ashland Town.....	82,582	Duxbury Town.....	67,295		
Ayer Town.....	200,829	East Bridgewater Town.....	148,795		
Bedford Town.....	202,727	Halifax Town.....	13,510		
Belmont Town.....	260,273	Hanover Town.....	158,726		
BillERICA Town.....	512,266	Hanson Town.....	77,717		
Burlington Town.....	608,688	Hingham Town.....	266,484		
Carlisle Town.....	18,963	Marion Town.....	41,698		
Chelmsford Town.....	240,355	Lakeville Town.....	33,716		
Concord Town.....	142,275	Kingston Town.....	98,963		
Dracut Town.....	211,238	Hull Town.....	80,633		
Framingham Town.....	741,493	Marshfield Town.....	373,023		
Groton Town.....	47,318	Mattapoisett Town.....	79,473		
Holliston Town.....	109,606	Middleborough Town.....	162,205		
Hopkinton Town.....	121,212	Norwell Town.....	110,151		
Hudson Town.....	274,840	Pembroke Town.....	173,825		
Lexington Town.....	341,602	Plymouth Town.....	331,945		
Lincoln Town.....	35,593	Rockland Town.....	420,760		
Littleton Town.....	67,005	Scituate Town.....	292,819		
Maynard Town.....	137,358	Town of Wareham.....	190,063		
Natick Town.....	430,743	West Bridgewater Town.....	110,714		
North Reading Town.....	68,306	Whitman Town.....	178,430		
Pepperell Town.....	22,487	Suffolk County area.....	20,084,246		
Reading Town.....	253,362	Suffolk County government.....	0		
Sherborn Town.....	12,639	Total to all cities over 2,500.....	19,796,339		
Shirley Town.....	43,414	Total to all cities under 2,500.....	0		
Stoneham Town.....	297,210	Total to all townships.....	287,906		
Stow Town.....	48,183	Boston City.....	17,753,054		
Sudbury Town.....	168,748	Chelsea City.....	848,092		
Tewksbury Town.....	432,830	Revere City.....	1,195,194		
Townsend Town.....	43,494	Winthrop Town.....	287,906		
Tyngsborough Town.....	61,627	Worcester County area.....	11,985,648		
Wakefield Town.....	336,207	Worcester County government.....	867,293		
Watertown Town.....	741,979	Total to all cities over 2,500.....	6,699,153		
Wayland Town.....	117,789	Total to all cities under 2,500.....	0		
Westford Town.....	105,664	Total to all townships.....	4,419,203		
Weston Town.....	42,138	Fitchburg City.....	1,200,289		
Wilmington Town.....	400,195	Gardner City.....	489,660		
Winchester Town.....	220,724	Leominster City.....	552,154		
		Worcester City.....	4,537,050		
		Ashburnham Town.....	33,906		
		Athol Town.....	83,875		

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. BENTSEN). The period for the transaction of routine morning business is closed.

## CONSUMER PROTECTION ORGANIZATION ACT OF 1971

The PRESIDING OFFICER. Under the previous order the unfinished business, S. 3970, will be laid before the Senate. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 390) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

## CLOTURE MOTION

Mr. JAVITS. Mr. President, I send to the desk a cloture motion on the bill.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

## CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 3970), a bill to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants in order to protect

and serve the interest of consumers and for other purposes.

1. Abraham Ribicoff.
2. Mike Mansfield.
3. Walter F. Mondale.
4. Fred R. Harris.
5. Philip A. Hart.
6. Edmund S. Muskie.
7. John O. Pastore.
8. Gaylord Nelson.
9. Warren G. Magnuson.
10. Robert C. Byrd.
11. Jacob K. Javits.
12. Charles H. Percy.
13. Edward W. Brooke.
14. Clifford P. Case.
15. Richard S. Schweiker.
16. James B. Pearson.
17. J. Glenn Beall.
18. Charles McC. Mathias, Jr.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Mr. President, does it now appear from the record that by unanimous consent there will be 1 hour's debate on this matter, beginning at 1 o'clock Tuesday, and that the vote will be at 2 p.m.?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. The quorum call preceding the vote will be at 2 o'clock on Tuesday.

The PRESIDING OFFICER. The Senator states the situation correctly.

Mr. JAVITS. I wish to ask the acting majority leader if he wishes to go on with the debate on this matter at this time or if he wishes to call up the defense appropriation bill.

Mr. ROBERT C. BYRD. Under the order entered yesterday, which has not been called to the attention of the able senior Senator from New York, once the Senator yields the floor the Senate will proceed immediately to the consideration of H.R. 1.

Mr. JAVITS. I thank the Senator. I yield the floor.

#### SOCIAL SECURITY AMENDMENTS OF 1972

The PRESIDING OFFICER (Mr. BENTSEN). Under the previous order, the cloture motion on the unfinished business having been filed, the Chair lays before the Senate H.R. 1, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1) to amend the Social Security Act, to make improvements in the Medicare and Medicaid programs, to replace the existing Federal-State Public Assistance programs, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, shortly I shall introduce an amendment to lower to 60 the age at which actuarial-

ly reduced benefits may be received and to 50 the age at which a woman may receive reduced widow's benefits.

I ask unanimous consent that it be in order to order the yeas and nays on that amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on that amendment.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote which has just been ordered occur at 11 a.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the quorum call which I am about to suggest is called off, I be recognized to call up my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Kentucky for a unanimous-consent request.

Mr. COOPER. Mr. President, I ask unanimous consent that Mr. Parenta of my staff be permitted on the floor today during the debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 189, between lines 19 and 20, insert the following new sections:

REDUCTION, FROM 62 TO 60, IN THE AGE AT WHICH INDIVIDUALS MAY RECEIVE ACTUARIALLY REDUCED BENEFITS

SEC. 151. (a) (1) Section 202 (a) (2) of the Social Security Act is amended by striking out "62" and inserting in lieu thereof "60".

(2) Section 202 (b) (1) of such Act (as amended by section 114(a) of this Act) is amended by striking out "62" wherever it appears therein and inserting in lieu thereof "60".

(3) Section 202 (c) (1) and (2) of such Act is amended by striking out "62" wherever it appears therein and inserting in lieu thereof "60".

(4) Section 202 (f) (1) (C) of such Act (as amended by section 102(b)(1) of this Act) is amended by striking out "or was entitled" and inserting in lieu thereof "or was entitled, after attainment of age 62,".

(5) (A) Section 202(h)(1)(A) of such Act is amended by striking out "62" and inserting in lieu thereof "60".

(B) Section 202(h)(2)(A) of such Act is amended by inserting "subsection (q) and" after "Except as provided in".

(C) Section 202(h)(2)(B) of such Act is amended by inserting "subsection (q) and" after "except as provided in".

(D) Section 202(h)(2)(C) of such Act is amended by—

(i) striking out "shall be equal" and inserting in lieu thereof "shall, except as provided in subsection (q), be equal"; and

(ii) inserting "and section 202(q)" after "section 203(a)";

(b) (1) The first sentence of section 202 (q) (1) of such Act (as amended by section 102(e)(1) of this Act) is amended (A) by striking out "husband's, widow's, or widower's" and inserting in lieu thereof "husband's, widow's, widower's, or parent's", and (B) by striking out, in subparagraph (A) thereof, "widow's or widower's" and inserting in lieu thereof "widow's, widower's or parent's".

(2) (A) Section 202(q)(3)(A) of such Act is amended (i) by striking out "husband's, widow's, or widower's" each place it appears therein and inserting in lieu thereof "husband's, widow's, widower's, or parent's", (ii) by striking out "age 62" and inserting in lieu thereof "age 60", and (iii) by striking out "wife's or husband's" and inserting in lieu thereof "wife's, husband's, or parent's".

(B) Section 202(q)(3)(C) is amended by striking out "or widower's" each place it appears therein and inserting in lieu thereof "widower's, or parent's".

(C) Section 202(q)(3)(D) of such Act is amended by striking out "or widower's" and inserting in lieu thereof "widower's, or parent's".

(D) Section 202 (q) (3) (E) of such Act is amended (i) by striking out "(or would, but for subsection (e) (1) in the case of a widow or surviving divorced wife or subsection (f) (1) in the case of a widower, be) entitled to a widow's or widower's insurance benefit to which such individual was first entitled for a month before she or he" and inserting in lieu thereof "(or would, but for subsection (e) (1), (f) (1), or (h) (1), be) entitled to a widow's, widower's, or parent's insurance benefit to which such individual was first entitled for a month before such individual", (ii) by striking out "the amount by which such widow's or widower's insurance benefit was reduced for the month in which such individual attained retirement age and," and inserting in lieu thereof "the amount by which such widow's widower's, or parent's insurance benefit would be reduced under paragraph (1), plus", and (iii) by striking out "over such widow's or widower's insurance benefit" and inserting in lieu thereof "over such widow's, widower's, or parent's insurance benefit".

(E) Section 202 (q) (3) (F) of such Act is amended (i) by striking out "(or would but for subsection (e) (1) in the case of a widow or surviving divorced wife or subsection (f) (1) in the case of a widower, be) entitled to a widow's or widower's insurance benefit to which such individual was first entitled for a month before she or he" and inserting in lieu thereof "(or would, but for subsection (e) (1), (f) (1), or (h) (1), be)



entitled to a widow's, widower's, or parent's insurance benefit for which such individual was first entitled for a month before such individual", (ii) by striking out "the amount by which such widow's or widower's insurance benefit" and inserting in lieu thereof "the amount by which such widow's, widower's, or parent's insurance benefit", (iii) by striking out "over such widow's insurance benefit" and inserting in lieu thereof "over such widow's, widower's, or parent's insurance benefit", and (iv) by striking out "62" and inserting in lieu thereof "60".

(F) Section 202 (q) (3) (G) of such Act is amended—

(i) by striking out "(or would, but for subsection (e) (1) in the case of a widow or surviving divorced wife or subsection (f) (1) in the case of a widower, be) entitled to a widow's or widower's insurance benefit," and inserting in lieu thereof "(or would, but for subsection (e) (1), (f) (1), or (h) (1) be) entitled to a widow's, widower's, or parent's insurance benefit,".

(ii) by striking out "such widow's insurance benefit" and inserting in lieu thereof "such widow's, widower's, or parent's insurance benefit,".

(3) Section 202(q) (5) (B) of such Act is amended by striking out "62" and inserting in lieu thereof "60".

(4) Section 202(q) (6) of such Act is amended (i) by striking out "husband's, widow's, or widower's" and inserting in lieu thereof "husband's, widow's, widower's, or parent's", and (ii) by striking out, in clause (III), "widow's or widower's" and inserting in lieu thereof "widow's, widower's, or parent's".

(5) Section 202(q) (7) of such Act (as amended by section 102(e) (2) of his Act) is amended—

(A) by striking out "husband's, widow's, or widower's" and inserting in lieu thereof "husband's, widow's, widower's, or parent's"; and

(B) by striking out, in subparagraph (E), "widow's or widower's" and inserting in lieu thereof "widow's, widower's, or parent's".

(c) Section 215(f) (5) of such Act is amended (A) by inserting after "attained age 65," the following: "or in the case of a woman who became entitled to such benefits and died before the month in which she attained age 62,"; (B) by striking out "his" each place it appears therein and inserting in lieu thereof "his or her"; and (C) by striking out "he" each place after the first place it appears therein and inserting in lieu thereof "he or she".

(d) (1) Section 216(b) (3) (A) of such Act is amended by striking out "62" and inserting in lieu thereof "60".

(2) Section 216(c) (6) (A) of such Act is amended by striking out "62" and inserting in lieu thereof "60".

(3) Section 216(f) (3) (A) of such Act is amended by striking out "62" and inserting in lieu thereof "60".

(4) Section 216(g) (6) (A) of such Act is amended by striking out "62" and inserting in lieu thereof "60".

(e) (1) Section 202(q) (5) (A) of such Act is amended by striking out "No wife's insurance benefit" and inserting in lieu thereof "No wife's insurance benefit to which a wife is entitled".

(2) Section 202(q) (5) (C) of such Act is amended by striking out "woman" and inserting in lieu thereof "wife".

(3) Section 202(q) (6) (A) (i) (II) of such Act is amended (A) by striking out "wife's insurance benefit" and inserting in lieu thereof "wife's insurance benefit to which a wife is entitled", and (B) by striking out "or" at the end and inserting in lieu thereof the following: "or in the case of a wife's insurance benefit to which a divorced wife is entitled, with the first day of the first month for which such individual is entitled to such benefit, or"

(4) Section 202(q) (7) (B) of such Act is amended by striking out "wife's insurance benefits" and inserting in lieu thereof "wife's insurance benefits to which a wife is entitled".

(f) Section 224(a) of such Act is amended by striking out "62" and inserting in lieu thereof "60".

(g) The amendments made by this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1972, but only on the basis of applications for such benefits filed after September 1972.

#### AGE 50—COMPUTATION POINT FOR WIDOWS

SEC. 152. (a) (1) Section 202(e) (1) (B) of the Social Security Act is amended to read as follows:

"(B) has attained age 50,".

(2) So much of section 202(e) (1) of such Act (as amended by section 102 of this Act) as follows subparagraph (E) is amended to read as follows: "shall be entitled to a widow's insurance benefit for each month, beginning with the first month in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: she remarries, dies, or becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount of such deceased individual."

(3) Paragraphs (5) and (6) of section 202(e) of such Act are hereby repealed.

(b) The last sentence of section 203(c) of such Act (as amended by section 102(c) (1) of this Act) is amended by striking out "from any widow's insurance benefits for any month in which the widow or surviving divorced wife is entitled and has not attained age 65 (but only if she became so entitled prior to attaining age 60), or".

(c) Clause D of section 203(c) (1) of such Act (as amended by section 102(c) (2) of this Act) is amended by striking out "widow's insurance benefits and has not attained age 65 (but only if she became so entitled prior to attaining age 60), or".

(d) The first sentence of section 216(i) (1) of such Act is amended by striking out "202 (e)".

(e) Section 222(a) of such Act is amended by striking out "benefits, widow's insurance benefits," and inserting in lieu thereof "benefits".

(f) The first sentence of section 222(b) (1) of such Act is amended by striking out "a widow or surviving divorced wife who has not attained age 60,".

(g) (1) Section 222(d) (1) of such Act is amended (A) by striking out subparagraph (C) thereof, and (B) by redesignating subparagraph (D) thereof as subparagraph (C).

(2) Such section 222(d) (1) is further amended by striking out "the benefits under section 202(e) for widows and surviving divorced wives who have not attained age 60 and are under a disability,".

(h) Section 225 of such Act is amended (1) by striking out "or that a widow or surviving divorced wife who has not attained age 60 and is entitled to benefits under section 202(e),", and (2) by striking out "202 (d) 202(e)," and inserting in lieu thereof "202(d),".

(i) The amendments made by subsection (a) shall apply with respect to monthly benefits under title II of the Social Security Act for the months following the month after the month in which this Act is enacted, but only on the basis of applications for such benefits filed in or after the month in which this Act is enacted. The amendments made by subsections (b) through (h) shall apply with respect to months after the month in which this Act is enacted.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the yeas-and-nay vote on this amendment occur at 10 minutes past 11 a.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, my amendment proposes two changes to the Social Security Act. First, it would amend the Social Security Act so as to reduce to 50 the age at which a woman may begin to receive actuarially reduced widow's benefits thereunder, and it would reduce to 60, the age at which monthly benefits generally, when based upon the attainment of retirement age, would be payable on an actuarially reduced basis.

Throughout my 20 years in Congress, I have consistently worked and voted for legislation aimed at providing realistic social security benefits, and legislation designed to strengthen the structure, administration, and financing of the social security program. I have previously introduced, as separate legislation, bills to lower to 50 the age at which actuarially reduced widow's insurance benefits could be received, and to lower to 60, the age at which actuarially reduced monthly benefits could be received. The Senate has upon several occasions given its approval to lower the age to 60, but the House has never seen fit to agree. I hope, however, that the need for updated social security legislation—such as this amendment—is now clearly recognized by Members in both Houses of Congress, and I am hopeful that my amendment will be accepted and subsequently enacted into law. First, I will discuss the age 50 computation point for widows.

Mr. President, beyond the 26 million citizens already drawing social security benefits, there are many widows between the ages of 50 and 60 who have lost their husbands and who, at this stage in their lives, are unable to establish a new career, or to reactivate an old one. It is this group of widows that my amendment is aimed at assisting. Under the provisions of my amendment, the Social Security Administration estimates that approximately 440,000 widows would claim benefits the first year, creating an initial cost of about \$700,000,000. But in the long run there would be no, or very little, increased cost because it would balance out.

In order that we can understand what these benefits would mean, I would like to cite some examples, which have been computed by the actuarial experts of the Social Security Administration.

First. Widow A is 50 years old and her husband had average monthly earnings of \$500 per month. Her reduced benefits at age 50 would be \$135 per month. If Widow A were 55, her benefits would be \$164 per month.

Second. Widow B is 50 years old and her husband had average monthly earnings of \$600 per month. Her reduced benefits would total \$155 per month. If Widow B were 55, her monthly benefits would total \$188.

Third. Widow C is 50 years old and her husband had average monthly earnings of \$700. Her reduced benefits would total \$171 per month. If Widow C were 55 years old, her reduced benefits would total \$208 per month.

In West Virginia, approximately 6,500 widows would become eligible for actuarially reduced benefits, if the age re-

quirement were lowered from 62 to 50. The increase in benefits for West Virginians would be approximately \$10,000,000.

This provision of my amendment, if adopted and enacted into law, will provide benefits for a group of persons who need it most—widows in their 50's who are unable to work and who desperately need these benefits, but have been unable to obtain them because of the social security age requirement. These are people whose deceased husbands had paid into the program, and these are people who deserve to receive some type of benefits now.

I will now discuss that portion of my amendment which will amend the Social Security Act to provide that monthly benefits, when based upon the attainment of retirement age, will be payable on an actuarially reduced basis at age 60.

Mr. President, there are, as present, over 26 million Americans receiving social security benefits. For many of them, these benefits are their only source of income. However, beyond these 26 million citizens already drawing social security benefits, there are many other Americans who are being forced out of the labor market because of the early retirement policies of many business and companies or the closing of plants, and individuals who are too ill to work, but who cannot meet social security disability regulations. It is this group of citizens that this portion of my amendment is aimed at assisting.

Under the provisions of my amendment allowing actuarially reduced benefits to be received at age 60, the Social Security Administration estimates that approximately 1,040,000 persons would claim benefits the first year, creating an initial cost of about \$1.35 billion. But in the long run there would be no increased cost; because the recipients would have chosen to accept their benefits at an earlier age, but on an actuarially reduced balance. The cost would, therefore, balance out in the long run.

In West Virginia, approximately 11,000 persons would become eligible for actuarially reduced benefits, if the age were lowered from 62 to 60. The overall increase in benefits for West Virginia under this amendment would be approximately \$11 million.

This amendment, if adopted and enacted into law, will provide benefits for persons who need it desperately—citizens who have been forced to retire, or who because of ill health should retire or would like to retire but have been unable to do so because the social security disability benefits program at the present time would not cover them inasmuch as they cannot qualify.

These are people who have been paying into the program for a long time and I believe they are people who deserve to be covered by the program now. They would have the option, under my amendment, to continue working if they chose to do so—until they were 60, 62, or 65. They would not be mandatorily forced to retire. They could retire on a voluntary basis, but at least, they would have the additional option they do not now have.

Mr. President, I urge the adoption of this amendment.

Mr. COOPER. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. I yield.

Mr. COOPER. I support strongly the purpose of the Senator's amendment which would allow men to receive reduced social security benefits beginning at age 60, rather than age 62, and which would allow widows to begin receiving reduced benefits at age 50 rather than age 60 as provided for in existing law. I have received a great deal of mail from people on this subject, particularly from widows who are left in destitute circumstances.

It is my understanding that this amendment would not alter the provision in the committee bill to increase from 82.5 to 100 percent the amount a widow could receive on her deceased husband's account. Benefits applied for before the age of 65 would still be reduced according to the widow's age at the time of application. Under the amendment offered by the distinguished Senator from West Virginia, Mr. ROBERT C. BYRD, a widow could now apply for the reduced benefits at age 50.

I would ask though, whether the Senator would consider changing the age from 50 to 55 years. Decreases in the age limitations have usually covered 5-year periods, and a 5-year period would place less strain on the present social security system. The amendment would still provide substantial assistance to many widows and I am sure that in time the age limit will be moving down to 50 years anyway.

Mr. ROBERT C. BYRD. I would personally like the age to go to 50 years so that they have that option. If they wish to wait longer, they can then do so. I realize that lowering the age to 50 years is a great step and it might be more logical to proceed with a lesser step. If it would enhance the chances of adoption of the amendment in the Senate and later in the conference, perhaps it would be advisable to modify my amendment to that extent, but I should like to hear first what some other Senators have to say on the subject.

Mr. COOPER. I appreciate that and I would like very much to be a cosponsor of the Senator's amendment if he would permit me. I think the change is very much needed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the names of the distinguished Senator from Kentucky (Mr. COOPER), the distinguished Senator from Indiana (Mr. HARTKE), and my distinguished colleague Mr. RANDOLPH be added as cosponsors of this amendment.

The PRESIDING OFFICER (Mr. BENTSEN). Without objection, it is so ordered.

Mr. LONG. Mr. President, I regret that I cannot support the pending amendment. As much as we might like to lower the retirement age, we must recognize that we are already providing full social security benefits which are not reduced at all to those who are disabled. It is true that persons who lose their jobs, let us say between the ages of 60 and 62, have

a problem, but unemployment insurance is available to them.

The proposal in the pending amendment to lower the retirement age to 60 would increase the cost of the bill in the beginning by \$1.35 billion. To reduce the retirement age for widows to 50, as originally introduced, the cost would be an additional \$700 million. I would assume that by modifying the amendment as the Senator from Kentucky (Mr. COOPER) has suggested, that would reduce the cost by perhaps \$300 million, but it still would cost about \$1.65 billion, I should think, to do the kind of thing the Senator is suggesting here.

Senators should think in terms of what some of these proposals are going to cost. The Senator makes the point that in the long run there would be no cost because the actuarial reduction is such that they would get smaller benefits, but that overlooks the fact that the Senate has now voted, and obviously has every intention of insisting on, supplemental security income benefits for people when they retire at the age of 65. When they reach 65, they would have available to them supplemental security income which would assure them of \$180 a month if they have at least \$50 of social security income or some other income.

Therefore, the idea that the cost to the social security trust funds would be absorbed in the long run by the actuarial reduction fades into oblivion when one recognizes the fact that we have provided the supplemental security income benefit to be paid out of general revenues, which would cause anyone with a social security check of \$180 or less to receive the difference up to \$180, so that the actuarial reduction that would tend to save or offset the social security cost of this would, for the most part, be wiped out by the supplemental security income benefit that is provided elsewhere from general funds in the committee amendment.

Therefore, Mr. President, there would be an additional general fund cost in the proposal, in addition to the heavy additional social security costs in the early years.

I would point out that we have passed the equal rights amendment. I should think that when that is ratified by the States, without ever having intended to do so, we might find that we have provided not only to widows but also to widowers the opportunity to retire at 50 years. Those who have a low income record would receive just as much after 65 because of the supplemental security income benefits that the Senate has already voted.

So, as a practical matter, while the amendment was originally conceived at a time prior to the supplemental security income proposal, with the idea that beneficiaries would take lower retirement benefits now and receive less later on—because of the supplemental security income benefits, the great majority of the people who would take less now would receive just as much in total income later on as they would have received anyway. The additional amount they would receive would provide an incentive, when the equal rights amendment goes into ef-



fect, for able-bodied men who qualify for jobs elsewhere to retire at 50—or if the amendment is modified make it 55 years—if they are widowers.

I am sure that the Senator did not have this effect in mind when he originally put his amendment together.

In other words, I have serious doubts that the Senator ever intended to provide for a widower whose wife died, that he should have the privilege of retiring at age 55. And yet when the equal rights amendment goes into effect, it seems to me that that would be the effect.

The PRESIDING OFFICER. The hour of 11:10 having arrived, under the previous agreement the Senate will proceed to vote on the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a 5 minute extension of the time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Will the Senator yield? Mr. LONG. I yield to the Senator.

Mr. BENNETT. I have been trying to add up the arithmetic. Yesterday we added \$2.2 billion to the cost of the social security programs, without the necessary financing. Today we are about to add an immediate burden on the social security trust fund of \$1.35 billion for persons who retire at age 60 and something like \$300 or \$400 million for widows, plus perhaps, a billion-dollar eventual loss to the general fund.

Let us say we are about to add \$1.650 billion or \$1.7 billion to the trust fund without financing, plus a billion-dollar burden to the general revenue.

I hope the Senate realizes what it is doing, both in terms of the overall budget and of the social security trust fund.

Mr. ROBERT C. BYRD. Mr. President, the supplemental benefit to which reference has been made will be available at age 65 or earlier if the person is blind, or if a person were disabled. What about the widow who is not blind, who is not disabled, but who has reached age 50, and who cannot get a job because she doesn't possess the skills to compete in today's labor market? I am simply trying to provide for those widows who are not blind, who are not disabled, and who are not yet age 65, and who could not therefore, receive the supplemental benefits.

Several Senators have now approached me and asked me to modify my amendment, which I will be glad to do if I can get unanimous consent. I ask unanimous consent that the age 50 provision for widows be amended to read at 55, as suggested by the able senior Senator from Kentucky.

The PRESIDING OFFICER. Is there objection to the modification? There being no objection, the amendment will be so modified.

Is all time yielded back?

Mr. LONG. I yield back my time.

Mr. ROBERT C. BYRD. I will yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from West Virginia. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce

that the Senator from New Mexico (Mr. ANDERSON), the Senator from Missouri (Mr. EAGLETON), the Senator from Louisiana (Mrs. EDWARDS), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Alabama (Mr. SPARKMAN), the Senator from Virginia (Mr. SPONG), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. JORDAN), the Senator from Wyoming (Mr. MCGEE), are absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Rhode Island (Mr. PELL), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Minnesota (Mr. MONDALE), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Georgia (Mr. GAMBRELL), would each vote "yea."

Mr. SCOTT. I announce that the Senators from Colorado (Mr. ALLOTT and Mr. DOMINICK), the Senator from Tennessee (Mr. BAKER), the Senator from Delaware (Mr. BOGGS), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Florida (Mr. GURNEY), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senators from Ohio (Mr. SAXBE and Mr. TAFT), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

On this vote, the Senator from Nebraska (Mr. CURTIS) is paired with the Senator from Texas (Mr. TOWER). If present and voting, the Senator from Nebraska would vote "nay" and the Senator from Texas would vote "yea."

If present and voting, the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOK), and the Senator from Illinois (Mr. PERCY) would each vote "yea."

The result was announced—yeas 29, nays 25, as follows:

[No. 488 Leg.]

YEAS—29

Alken	Hollings	Nelson
Bayh	Hughes	Packwood
Beall	Inouye	Pastore
Bible	Jackson	Pearson
Burdick	Kennedy	Proxmire
Byrd, Robert C.	Magnuson	Schweiker
Cannon	Mansfield	Smith
Case	Mathias	Stevens
Cooper	McClellan	Symington
Hartke	Moss	

NAYS—25

Allen	Church	Long
Bellmon	Cranston	Scott
Bennett	Dole	Stennis
Bentsen	Ervin	Stevenson
Brock	Fannin	Talmadge
Buckley	Fong	Thurmond
Byrd,	Fulbright	Tunney
Harry F., Jr.	Hruska	Young
Chiles	Jordan, Idaho	

NOT VOTING—46

Allott	Gurney	Muskie
Anderson	Hansen	Pell
Baker	Harris	Percy
Boggs	Hart	Randolph
Brooke	Hatfield	Ribicoff
Cook	Humphrey	Roth
Cotton	Javits	Saxbe
Curtis	Jordan, N.C.	Sparkman
Dominick	McGee	Spong
Eagleton	McGovern	Stafford
Eastland	McIntyre	Taft
Edwards	Metcalfe	Tower
Gambrell	Miller	Weicker
Goldwater	Mondale	Williams
Gravel	Montoya	
Griffin	Mundt	

So Mr. ROBERT C. BYRD's amendment, as modified, was agreed to.

Mr. LONG. Mr. President, there is a proposal in the bill, a committee amendment, on which the Senate should vote. I believe this vote would be very helpful and useful to the House to decide whether or not to accept the Senate committee amendment on drugs. I refer to the committee proposal which would make maintenance drugs available under medicare. That provision runs from line 23 of page 252, through line 11, page 268 in the bill.

The PRESIDING OFFICER. Without objection, the committee amendment will be printed in the RECORD.

The committee amendment reads as follows:

#### COVERAGE OF DRUGS UNDER MEDICARE

Sec. 215. (a) Section 226(c)(1) of the Social Security Act (as amended by section 201 of this Act) is further amended by striking out "and post-hospital home health services" and inserting in lieu thereof "post-hospital home health services, and eligible drugs".

(b) Section 1811 of the Social Security Act is amended by inserting "and eligible drugs" after "related post-hospital services".

(c) Section 1812(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (3) the following new paragraph:

"(4) eligible drugs."

(d) Section 1813(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(4) The reasonable allowance, as defined in section 1823, for eligible drugs furnished an individual pursuant to any one prescription (or each renewal thereof) and purchased by such individual at any one time shall be reduced by an amount equal to the applicable prescription copayment obligation which shall be \$1."

(e) (1) Section 1814(a) of the Social Security Act is amended—

(A) by striking out "and" at the end of paragraph (6);

(B) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (7) the following new paragraph:

"(8) with respect to drugs or biologicals furnished pursuant to and requiring (except for insulin) a physician's prescription, such drugs or biologicals are eligible drugs as defined in section 1861(t) and the participating pharmacy (as defined in section 1861(dd)) has such prescription in its possession, or some other record (in the case of insulin) that is satisfactory to the Secretary."

(2) Section 1814(b) of such Act is amended—

(A) by inserting "(1)" after "(b)";

(B) by inserting "(other than a pharmacy)" immediately after "provider of services"; and

(C) by adding at the end thereof the following new paragraph:

"(2) The amount paid to any participating pharmacy which is a provider of services with respect to eligible drugs for which payment may be made under this part shall, subject to the provisions of section 1813, be the reasonable allowance (as defined in section 1823) with respect to such drugs."

(f) Section 1814 of the Social Security Act (as amended by section 227(b)(2) and 228(a) of this Act) is further amended by adding at the end thereof the following new subsection:

"Limitation on Payment for Eligible Drugs

"(j) Payment may be made under this part for eligible drugs only when such drugs are dispensed by a participating pharmacy; except that payment under this part may be made for eligible drugs dispensed by a physician where the Secretary determines, in accordance with regulations, that such eligible drugs were required in an emergency or that there was no participating pharmacy available in the community, in which case the physician (under regulations prescribed by the Secretary) shall be regarded as a participating pharmacy for purposes of this part with respect to the dispensing of such eligible drugs."

(g) Part A of title XVIII of the Social Security Act is further amended by adding after section 1819 (as added by section 214 of this Act) the following new sections:

#### "MEDICARE FORMULARY COMMITTEE

"SEC. 1820. (a) (1) There is hereby established, within the Department of Health, Education, and Welfare, a Medicare Formulary Committee (hereinafter referred to as the 'Committee'), a majority of whose members shall be physicians and which shall consist of the Commissioner of Food and Drugs and of four individuals (not otherwise in the employ of the Federal Government) who do not have a direct or indirect financial interest in the composition of the Formulary established under this section and who are of recognized professional standing and distinction in the fields of medicine, pharmacology, or pharmacy, to be appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Chairman of the Committee shall be elected annually from the appointed members thereof, by majority vote of the members of the Committee.

"(2) Each appointed member of the Committee shall hold office for a term of five years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of the members first taking office shall expire, as designated by the Secretary at the

time of appointment, one of the end of each of the first five years. A member shall not be eligible to serve continuously for more than two terms.

"(b) Appointed members of the Committee, while attending meetings or conferences thereof or otherwise serving on business of the Committee, shall be entitled to receive compensation at rates fixed by the Secretary (but not in excess of the daily rate paid under GS-18 of the General Schedule under section 5332 of title 5, United States Code), including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) (1) The Committee is authorized, with the approval of the Secretary, to engage or contract for such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Committee such secretarial, clerical, and other assistance as the Formulary Committee may require to carry out its functions.

"(2) The Secretary shall furnish to the Committee such office space, materials, and equipment as may be necessary for the Formulary Committee to carry out its functions.

#### "MEDICARE FORMULARY

"SEC. 1821. (a) (1) The Committee shall compile, publish, and make available a Medicare Formulary (hereinafter in this title referred to as the 'Formulary').

"(2) The Committee shall periodically revise the Formulary and the listing of drugs so as to maintain currency in the contents thereof.

"(b) (1) The Formulary shall contain an alphabetically arranged listing, by established name, of those drug entities within the following therapeutic categories:

- "Adrenocorticoids
- "Anti-anginals
- "Anti-arrhythmics
- "Anti-coagulants
- "Anti-convulsants (excluding phenobarbital)
- "Anti-hypertensives
- "Anti-neoplastics
- "Anti-Parkinsonism agents
- "Anti-rheumatics
- "Bronchodilators
- "Cardiotonics
- "Cholinesterase inhibitors
- "Diuretics
- "Gout suppressants
- "Hypoglycemics
- "Miotics
- "Thyroid hormones
- "Tuberculostatics

which the Committee decides are necessary for individuals using such drugs. The Committee shall exclude from the Formulary any drug entities (or dosage forms and strengths thereof) which the Committee decides are not necessary for proper patient care, taking into account other drug entities (or dosage forms and strengths thereof) which are included in the Formulary.

"(2) Such listing shall include the specific dosage forms and strengths of each drug entity (included in the Formulary in accordance with paragraph (1)) which the Committee decides are necessary for individuals using such drugs.

"(3) Such listing shall include the prices at which the products (in the same dosage form and strength) of such drug entities are generally sold by the suppliers thereof and the limit applicable to such prices under section 1823(b)(1) for purposes of determining the reasonable allowance.

"(4) The Committee may also include in the Formulary, either as a separate part (or parts) thereof or as a supplement (or supplements) thereto, any or all of the following information:

"(A) A supplemental list or lists, arranged by diagnostic, prophylactic, therapeutic, or other classifications, of the drug entities (and dosage forms and strengths thereof) included in the listing referred to in paragraph (1).

"(B) The proprietary names under which products of a drug entity listed in the Formulary by established name (and dosage form and strength) are sold and the names of each supplier thereof.

"(C) Any other information with respect to eligible drug entities which in the judgment of the Committee would be useful in carrying out the purposes of this part.

"(c) In considering whether a particular drug entity (or strength or dosage form thereof) shall be included in or excluded from the Formulary, the Committee is authorized to obtain (upon request therefor) any record pertaining to the characteristics of such drug entity which is available to any other department, agency, or instrumentality of the Federal Government, and to request suppliers or manufacturers of drugs and other knowledgeable persons or organizations to make available to the Committee information relating to such drug. If any such record or information (or any information contained in such record) is of a confidential nature, the Committee shall respect the confidentiality of such record or information and shall limit its usage thereof to the proper exercise of its authority.

"(d) (1) The Committee shall establish such procedures as it determines to be necessary in its evaluation of the appropriateness of the inclusion in or exclusion from the Formulary, of any drug entity (or dosage form or strength thereof). For purposes of inclusion in or exclusion from the Formulary the principal factors in the determination of the Committee shall be:

"(A) the factor of clinical equivalence in the case of the same dosage forms in the same strengths of the same drug entity, and

"(B) the factor of relative therapeutic value in the case of similar or dissimilar drug entities in the same therapeutic category.

"(2) The Committee, prior to making a final decision to remove from listing in the Formulary any drug entity (or dosage forms or strength thereof) which is included therein, shall afford a reasonable opportunity for a formal or informal hearing on the matter to any person engaged in manufacturing, preparing, compounding, or processing such drug entity who shows reasonable ground for such a hearing.

"(3) Any person engaged in the manufacture, preparation, compounding, or processing of any drug entity (or dosage forms or strengths thereof) not included in the Formulary which such person believes to possess the requisite qualities to entitle such drug to be included in the Formulary pursuant to subsection (b), may petition for inclusion of such drug entity and, if such petition is denied by the Formulary Committee, shall, upon request therefor, showing reasonable grounds for a hearing, be afforded a formal or informal hearing on the matter in accordance with rules and procedures established by such Committee.

#### "LIMITATIONS ON MEDICARE PAYMENT FOR CHARGES OF PROVIDERS OF SERVICES

"SEC. 1822. (a) Any provider of services as defined in section 1861(u), whose services are otherwise reimbursable under any program under this Act in which there is Federal financial participation on the basis of 'reasonable cost', shall not be entitled to a professional fee or dispensing charge or reasonable billing allowance as determined pursuant to this part.

"(b) A fee, charge, or billing allowance shall not be payable under this section with respect to any drug entity that (as determined in accordance with regulations) is



furnished as an incident to a physician's professional service, and is of a kind commonly furnished in physicians' offices and commonly either rendered without charge or included in the physicians' bills.

**"REASONABLE ALLOWANCE FOR ELIGIBLE DRUGS"**

"Sec. 1823. (a) For purposes of this part, the term 'reasonable allowance' when used in reference to an eligible drug (as defined in subsection (h) of this section) means the following:

"(1) When used with respect to a prescription legend drug entity, in a given dosage form and strength, such term means the lesser of—

"(A) an amount equal to the customary charge at which the participating pharmacy sells or offers such drug entity, in a given dosage form and strength, to the general public, or

"(B) the price determined by the Secretary, in accordance with subsection (b) of this section, plus the professional fee or dispensing charges determined in accordance with subsection (c) of this section.

"(2) When used with respect to insulin such term means the charge not in excess of the reasonable customary price at which the participating pharmacy offers or sells the product to the general public, plus a reasonable billing allowance.

"(b) (1) For purposes of establishing the reasonable allowance in accordance with subsection (a) the price shall be (A) in the case of a drug entity (in any given dosage form and strength) available from and sold by only one supplier, the price at which such drug entity is generally sold (to establishments dispensing drugs), and (B) in any case in which a drug entity (in any given dosage form and strength) is available and sold by more than one supplier, only each of the lower prices at which the products of such drug entity are generally sold (and such lower prices shall consist of only those prices of different suppliers sufficient to assure actual and adequate availability of the drug entity, in a given dosage form and strength, at such prices in a region).

"(2) If a particular drug entity (in a given dosage form and strength) in the Formulary is available from more than one supplier, and the product of such drug entity as available from one supplier possesses demonstrated distinct therapeutic advantages over other products of such drug entity as determined by the Committee on the basis of its scientific and professional appraisal of information available to it, including information and other evidence furnished to it by the supplier of such drug entity, then the reasonable allowance for such supplier's drug product shall be based upon the price at which it is generally sold to establishments dispensing drugs.

"(3) If the prescriber, in his handwritten order, has specifically designated a particular product of a drug entity (and dosage form and strength) included in the Formulary by its established name together with the name of the supplier of the final dosage form thereof, the reasonable allowance for such drug product shall be based upon the price at which it is generally sold to establishments dispensing drugs.

"(c) (1) For the purpose of establishing the reasonable allowance (in accordance with subsection (a)) a participating pharmacy, shall, in the form and manner prescribed by the Secretary, file with the Secretary, at such times as he shall specify, a statement of its professional fee or other dispensing charges.

"(2) A participating pharmacy, which has agreed with the Secretary to serve as a provider of services under this part, shall, except for subsection (a) (1) (A), be reimbursed, in addition to any price provided for in subsection (b), the amount of the fee or charges filed in paragraph (1), except that no fee or charges shall exceed the highest fee or

charges filed by 75 per centum of participating pharmacies (with such pharmacies classified on the basis of (A) lesser dollar volume of prescriptions and (B) all others) in a census region which were customarily charged to the general public as of June 1, 1972. Such prevailing professional fees or dispensing charges may be modified by the Secretary in accordance with criteria and types of data comparable to those applicable to recognition of increases in reasonable charges for services under section 1842.

"(3) A participating pharmacy shall agree to certify that, whenever such pharmacy is required to submit its usual professional fee or dispensing charge for a prescription, such charge does not exceed its customary charge."

(h) Section 1861(f) of the Social Security Act is amended—

(1) by inserting "or as are approved by the Formulary Committee" after "for use in such hospital"; and

(2) by adding at the end thereof the following new sentence: "The term 'eligible drug' means a drug or biological which (A) can be self-administered, (B) requires a physician's prescription (except for insulin), (C) is prescribed when the individual requiring such drug is not an inpatient in a hospital or extended care facility, during a period of covered care, (D) is included by strength and dosage forms among the drugs and biologicals approved by the Formulary Committee, (E) is dispensed (except as provided by section 1814(j)), by a pharmacist from a participating pharmacy, and (F) is dispensed in quantities consistent with proper medical practice and reasonable professional discretion."

(i) Section 1861(u) of the Social Security Act (as amended by section 227(d)(1) of this Act) is further amended by striking out "or home health agency" and inserting in lieu thereof "home health agency, or pharmacy".

(j) Section 1861 of the Social Security Act is further amended by adding at the end thereof the following new subsection:

**"Participating Pharmacy"**

"(dd) The term 'participating pharmacy' means a pharmacy, or other establishment (including the outpatient department of a hospital) providing pharmaceutical services, (1) which is licensed as such under the laws of the State (where such State requires such licensure) or which is otherwise lawfully providing pharmaceutical services in which such drug is provided or otherwise dispensed in accordance with this title, (2) which has agreed with the Secretary to act as a provider of services in accordance with the requirements of this section, and which complies with such other requirements as may be established by the Secretary in regulations to assure the proper economical, and efficient administration of this title, (3) which has agreed to submit, at such frequency and in such form as may be prescribed in regulations, bills for amounts payable under this title for eligible drugs furnished under part A of this title, and (4) which has agreed not to charge beneficiaries under this title any amounts in excess of those allowable under this title with respect to eligible drugs except as is provided under section 1813(a)(4), and except for so much of the charge for a prescription (in the case of a drug product prescribed by a physician, of a drug entity in a strength and dosage form included in the Formulary where the price at which such product is sold by the supplier thereof exceeds the reasonable allowance) as is in excess of the reasonable allowance established for such drug entity in accordance with section 1823."

(k) (1) the first sentence of section 1866(a)(2)(A) of the Social Security Act is amended by striking out "and (ii)" and inserting in lieu thereof the following: "(ii) the amount of any copayment obligation and excess above the reasonable allowance

consistent with section 1861(dd)(4) and (ii)".

(2) The second sentence of section 1866(a)(2)(A) of such Act is amended by striking out "clause (ii)" and inserting in lieu thereof "clause (iii)".

(l) The amendments made by this section shall apply with respect to eligible drugs furnished on and after the first day of July 1973.

Mr. LONG. Mr. President, the committee proposed financing to cover the cost. This item would cost \$700 million and it is financed within the bill. The amendment would require that the person eligible for these drugs would pay \$1 and that the remainder of the cost for covered prescription drugs would be paid by the Government.

There are provisions in the bill to help control the cost of the amendment so that the cost would be reasonable.

Mr. President, I ask unanimous consent that, notwithstanding the fact that the Senate has agreed to this amendment along with other committee amendments en bloc, this amendment may be voted on, reserving the right of Senators to further amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 252, line 23, through line 11 on page 268. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mrs. EDWARDS), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIECOFF), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Virginia (Mr. SPONG) are necessarily absent.

I also announce that the Senator from Wyoming (Mr. MCGEE) and the Senator from North Carolina (Mr. JORDAN) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Minnesota (Mr. MONDALE), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia

(Mr. GAMBRELL), and the Senator from Connecticut (Mr. RIBICOFF) would vote "yea."

Mr. SCOTT. I announce that the Senators from Colorado (Mr. ALLOTT and Mr. DOMINICK), the Senator from Tennessee (Mr. BAKER), the Senator from Delaware (Mr. BOGGS), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Florida (Mr. GURNEY), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senators from Ohio (Mr. SAXBE and Mr. TAFT), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senator from Massachusetts (Mr. BROOKE), the Senator from Delaware (Mr. BOGGS), the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY), and the Senator from Texas (Mr. TOWER) would each vote "yea."

The result was announced—yeas 54, nays 0, as follows:

[No. 489 Leg.]

YEAS—54

Alken	Cranston	Moss
Allen	Dole	Nelson
Bayh	Ervin	Packwood
Beall	Fannin	Pastore
Bellmon	Fong	Pearson
Bennett	Fulbright	Proxmire
Bentsen	Hartke	Schweiker
Bible	Hollings	Scott
Brock	Hruska	Smith
Buckley	Hughes	Stennis
Burdick	Inouye	Stevens
Byrd	Jackson	Stevenson
Harry F., Jr.	Jordan, Idaho	Symington
Byrd, Robert C.	Kennedy	Talmadge
Cannon	Long	Thurmond
Case	Magnuson	Tunney
Chiles	Mansfield	Young
Church	Mathias	
Cooper	McClellan	

NAYS—0

NOT VOTING—46

Allott	Gurney	Muskie
Anderson	Hansen	Pell
Baker	Harris	Percy
Boggs	Hart	Randolph
Brooke	Hatfield	Ribicoff
Cook	Humphrey	Roth
Cotton	Javits	Saxbe
Curtis	Jordan, N.C.	Sparkman
Dominick	McGee	Spong
Eagleton	McGovern	Stafford
Eastland	McIntyre	Taft
Edwards	Metcalf	Tower
Gambrell	Miller	Weicker
Goldwater	Mondale	Williams
Gravel	Montoya	
Griffin	Mundt	

So the committee amendment was agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Mr. Howard Marlowe of my staff be accorded the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HARTKE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE's amendment is as follows:

At the end of Title II of the bill, add the following new section:

CHRONIC RENAL DISEASE CONSIDERED TO CONSTITUTE DISABILITY

(a) Section 201 of the bill is amended by adding at the end thereof the following new proposals.

(e) Notwithstanding the foregoing provisions of the section, every individual who

"(1) has not attained the age of 65;

"(2) (A) is fully or currently insured (as such terms are defined in section 214 of this Act), or (B) is entitled to monthly insurance benefits under title II of this Act, or (C) is the spouse or dependent child (as defined in regulations) of an individual who is fully or currently insured, or (D) is the spouse or dependent child (as defined in regulations) of an individual entitled to monthly insurance benefits under title II of this Act; and

"(3) is medically determined to have chronic renal disease and who requires hemodialysis or renal transplantation for such disease shall be deemed to be disabled for purposes of coverage under Part A and B of Medicare subject to the deductible premium and co-payment provision of Title 18.

(f) Medicare eligibility on the basis of chronic kidney failure would begin with the sixth month after the month of onset of chronic kidney failure and would end with the 12th month after the month in which the person has a renal transplant.

(g) the Secretary is authorized to limit re-imbursement under Medicare for kidney transplant and dialysis to kidney disease treatment centers which meet such requirements as he may by regulation prescribe.

"(1) such requirements must include at least requirements for a minimal utilization rate for covered procedure and for a medical review board to screen the appropriateness of patients for the proposed treatment procedures.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on this amendment be limited to 30 minutes, to be equally divided between and controlled by the mover of the amendment and the manager of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, my amendment is cosponsored by myself, the distinguished chairman of the Finance Committee (Mr. LONG), and the distinguished Senator from North Dakota (Mr. BURDICK). I ask unanimous consent that the name of Senator BURDICK be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, this amendment creates a program to aid those Americans suffering from chronic kidney disease.

Ours is a highly advanced society. We spend billions of dollars each year to go from home to work, from coast to coast

from one continent to another, and from earth to space. Tens of billions of dollars are spent on weapons to kill, on cosmetics to make us look pleasing, and on appliances to make our lives easier. We do all of this, but when it comes to maintaining our health, we revert to the primitive values and attitudes of the distant past.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HARTKE. In what must be the most tragic irony of the 20th century, people are dying because they cannot get access to proper medical care. We have learned how to treat or to cure some of the diseases which have plagued mankind for centuries, yet these treatments are not available to most Americans because of their cost. An extension of this irony is that medical research has produced two proven life-saving therapies for terminal kidney patients but only a small percentage of these people now receive them.

Mr. President, more than 8,000 Americans will die this year from kidney disease this year because they cannot afford an artificial kidney machine or a kidney transplant. These will be needless deaths—deaths which should shock our conscience and shame our sensibilities.

What are we to say to these 8,000 people? How do we explain that the difference between life and death is a matter of dollars? How do we explain that those who are wealthy have a greater chance to enjoy a longer life than those who are not? These are difficult questions to ask; they are even more difficult to answer.

Mr. President, we can begin to set our national priorities straight by undertaking a national effort to bring kidney disease treatment within the reach of all those in need.

Each year, about 8 million Americans are afflicted with kidney diseases, the fifth leading cause of death in this country. Diseases of the kidneys and diseases affecting these organs rank among the major ailments which undermine or destroy good health. The insidious nature of kidney diseases is reflected in the fact that many people who harbor infectious organisms in their urinary tract will have no warning of their disease until kidney damage is beyond repair. Of the nearly 8 million new victims each year, about 2.8 million suffer from hypertensive renal cardiovascular diseases causing 35 percent of deaths from kidney disease; about 2 million suffer from infectious diseases causing 18 percent of the deaths; and about 3 million suffer other diseases such as hypersensitivity, calculi, urinary abnormalities, and other ailments causing 26 percent of the deaths.

In terms of indirect costs of mortality—lost future income—kidney disease is the highest ranking killer, costing the country \$1.5 billion annually. Additionally, more than \$1 billion has to be spent each year for hospital and nursing home care, professional services, and drugs. Surprisingly, this amount exceeds the annual medical services costs for maternity care, or for all forms of cancer.

Mr. President, I now ask unanimous consent that the names of the Senator



from Florida (Mr. CHILES) and the Senator from Kansas (Mr. DOLE) be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, the pending Hartke-Long-Burdick-Chiles-Dole amendment is an important breakthrough for patients suffering from chronic kidney disease. It states quite simply, that for purposes of the definition of disability under the Social Security Act, persons with chronic renal disease who are receiving dialysis or other life-saving treatment will be considered disabled.

The people who will benefit from this amendment are people who are unable to work at the previous occupation on a full-time basis and who are unable to bear the staggering cost of dialysis.

Approximately 55,000 Americans are now suffering from chronic renal disease. Twenty to 25,000 of these people are prime candidates for dialysis or other life-saving kidney treatment. Of these people, less than one-third have any insurance coverage of their own, and most of these people have coverage for no more than 2 years.

The cost of dialysis is \$22 to \$25,000 per year per patient in a hospital; \$17 to \$20,000 in a hospital-related dialysis center; and \$19,000 in the first year of home dialysis with a subsequent cost of about \$5,000 per year. There is substantial evidence available, however, indicating these costs will continue to go down each year with new advances in the technology of artificial kidney care.

Perhaps more exciting is the remarkable success that transplant surgeons are having with kidney transplants. It is estimated that over 2,000 transplant procedures will be performed this year in the United States. Of these, 85 percent will be considered successful. It is also important to point out that the 15 percent rejection rate means kidney mortality and not human mortality. These people are placed back on the artificial kidney machine to await another tissue-typing for another transplant. At the present time, the average costs of a transplant are \$15,000. Again, we can look at the substantial reductions in the cost of transplantation. For example, Dr. Sam Kountz, a transplant surgeon at the University of California has reduced his costs to \$8,000 per transplant or no more than any major surgical procedure.

Sixty percent of those on dialysis can return to work but require retraining and most of the remaining 40 percent need no retraining whatsoever. These are people who can be active and productive, but only if they have the lifesaving treatment they need so badly.

I might point out, also, that this amendment eliminates an inequity in the current law, because the present provisions says that if a kidney patient goes on the dialysis machine, he is no longer considered disabled. In other words, if he is disabled, he can receive the Medicare payments and the disability payments; but if he goes on the dialysis machine, he no longer can draw the payments. So he has to make the choice: He can receive treatment and

lose his disability payments or he can get off the machine and die, and that is a rather fatal distinction.

Final cost estimates for this vital amendment are now being worked out. Preliminary estimates indicate an annual cost of approximately \$250 million at the end of 4 years with the first full-year cost at about \$75 million.

It is possible that these costs could be covered by the slight actuarial surplus in the hospital insurance trust fund and the slight reduction in costs now estimated for the regular medicare program for the disabled. However, if it is finally determined—and I think it can be, before these considerations of H.R. 1 are concluded—that a medicare tax increase of a small amount is necessary, it would be quite normal.

When the actuaries complete their work, and if they indicate the need for an increase in the medicare tax, I would be more than glad to propose a further amendment to that effect in the interest of responsible legislating.

The need for this amendment is urgent. We will do what is required to pay these costs.

That is what the pending amendment provides—a chance for thousands of Americans to remain alive and be productive. The \$90 to \$110 million that this amendment will cost each year is a minor cost to maintain life. And it is a minor cost when compared to the rewards which society will reap from people who can return to the workforce rather than wither and die.

I think this is one instance in which medical technology has given its blessing to a wonderful Nation, and what we need now is to implement this blessing, to make sure that the amendment is adopted.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Fact and Fiction About the Artificial Kidney Machine," which I think will be informative not only to this body but also to those individuals who are now or potentially may be affected with kidney disease; a statement by the National Kidney Foundation, which points out that the Nation's fourth biggest killer—that is, kidney disease—is at the bottom of the list of those which receive funds at the present time from private sources; and an article published in the New York Times, written by Lawrence K. Altman, from Seattle.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### FACT AND FICTION ABOUT THE ARTIFICIAL KIDNEY MACHINE

##### FICTION

*Artificial kidney machines are scarce and hard to get*

Contrary to popular belief, there is no shortage of artificial kidney machines. There is sufficient manufacturing capacity to produce any number which can be put to use.

*Artificial kidney machines are very expensive*

Artificial kidney machines cost no more than the average new or used car. The price range for different makes of commercially produced artificial kidney machines is from \$1,800 to about \$6,000. One of the "models" in common use costs less than \$1,800.

##### FACT

*Artificial kidney machines can now be rented*

Artificial kidney machines now are available for rental at a reasonable monthly charge.

##### FICTION

*There is an artificial kidney machine being developed which is as small as a can of soup or a small radio*

Despite the newspaper stories which appear from time to time about a "minikidney" or a portable kidney, no can-of-soup size or portable artificial kidney has been developed. People sometimes refer to a part of the machine as "the artificial kidney", but complete artificial kidney machines are about the size of a home automatic washing machine.

*The artificial kidney functions precisely like a regular kidney*

Despite the fact that the artificial kidney is a medical miracle, it still is only a gross substitute for the normal human kidney, taking over only the kidneys' excretory function. The normal kidney not only cleanses the blood and produces urine, but serves as a primary regulator of blood pressure, produces a variety of important hormones, and even returns some chemicals and other substances to the blood stream.

##### FACT

*The artificial kidney machine cleanses the patient's blood*

Using a surgically constructed connection of a vein and artery under the skin of the arm or leg or a teflon "U" shaped "shunt" connecting a vein and artery and coming out through the skin, the patient's blood stream is continuously channeled through the machine on one side of a special membrane. A dialyzing fluid on the other side of the membrane removes toxins by a process in which certain molecules pass through membranes in a predictable way.

##### FICTION

*The artificial kidney machine is used only on patients whose kidneys have shut down permanently*

Although this is the most publicized use of this miraculous machine, it is also used following surgery to assist the patient's own kidneys; in poison and overdose cases to hasten the excretion of a damaging toxic substance; in severe burn cases and in many other medical emergencies. The machine is used during such emergencies for one or several treatments. Patients who have such temporary renal shut-down usually regain normal kidney function when the causative problem is resolved. In the meantime, however, they need the artificial kidney to pull them through the renal shut-down crisis.

##### FACT

*Patients on the artificial kidney machine are treated three times each week*

Most patients on chronic dialysis treatment are treated three times each week and from four to twelve hours each time, depending upon the type of artificial kidney used. Some patients can be sustained on treatments once or twice a week, but most patients do better when treated at least three times a week.

*Patients can sleep, read, watch television during treatment on the artificial kidney machine*

The patient is usually in a relaxing chair or in bed during treatment. Many use this time to catch up on sleep. Some read or conduct other activities of a sedentary nature.

*Treatments on the artificial kidney machine are complicated and sometimes uncomfortable*

Treatment by means of this artificial organ is not simple. It involves sending the

patient's entire blood supply through a machine over and over again for a number of hours, while maintaining proper blood pressure, blood temperature, and chemical balance. At times patients have uncomfortable side effects during treatment. The alternative, however, is death. A relaxed attitude on the part of the patient often means more comfortable and more effective treatment.

## FICTION

*Artificial kidney machines are delicate mechanisms which can get out of order easily*

Artificial kidney machines in general use today are more rugged than an automobile and can take a lot of punishment. Some artificial kidney machines have been in use for more than 15 years. They require no more servicing than the usual home television set. Most manufacturers provide service for the artificial kidney machines they sell although some are better equipped and staffed for this purpose.

## FACT

*Patients can be treated by the artificial kidney machine in their own homes*

About half of the patients on the artificial kidney are being treated in their own homes by their own relatives, following suitable training in a medically supervised dialysis center.

*Less than 10 to 15% of the patients whose lives could be saved by the artificial kidney are receiving this treatment*

A cumulative total of 40,000 to 60,000 patients are suitable candidates to be kept alive on the artificial kidney. Fewer than 7,000 are being given this treatment. "The rest are simply left to die," in the words of the late Congressman John Fogarty.

## FICTION

*With kidney transplants becoming more successful, there soon will be no need for artificial kidney machines*

The growing success of kidney transplantation will increase the need for artificial kidney machines; to get the patients into good enough condition to withstand the surgery; to keep them alive while waiting for a donor kidney; to maintain life if the transplanted kidney should fail or be "rejected" after transplantation.

*Artificial kidney patients are invalids, incapable of living a normal life*

Although many patients go through periods when they are not well, especially during the early phase of their treatment, most can conduct generally normal lives once their condition becomes stabilized. They can get about, go to work, drive, travel, raise families, do housework, and pursue their usual activities.

## FACT

*There is a shortage of doctors and trained dialysis staff to treat patients with the artificial kidney machine*

Physicians who are willing to devote their time exclusively to the treatment of patients who need the artificial kidney machine are still in short supply. The same applies to trained dialysis supporting staff. Hospitals are reluctant to commit precious space to this long-term patient treatment modality. Home dialysis and ambulatory dialysis centers outside of hospitals are relieving the pressure, and other novel solutions are being developed. Organizations such as the Kidney Foundation are active in helping to devise innovative solutions to the dialysis manpower problem.

## FICTION

*Treatment on the artificial kidney machine is more expensive than other medical treatment*

Treatment on the artificial kidney machine varies in cost from \$3,000 a year to \$10,000 or \$12,000, but can cost as much as \$30,000 de-

pending, in addition to other factors, upon whether the treatments are given at home, in a hospital or in an ambulatory dialysis center. At the lower end of the cost scale, this life-saving treatment is less expensive than psychiatric treatment, for example, or the cost of some surgical procedures. Financial help is available to many through medical insurance, state rehabilitation agencies, military dependents' insurance, VA, and other private or public sources.

## FACT

*The artificial kidney machine is now a recognized treatment method among doctors*

Although there was controversy over this unusual treatment some years ago, it is now an accepted means of treating patients in chronic renal failure and in many acute situations where the kidneys need temporary help.

## FICTION

*Anyone can buy an artificial kidney machine*

Artificial kidney machines require medical training and supervision. Only a doctor trained in dialysis is qualified to select the particular make of machine to match a patient's or an institution's needs and for this reason no equipment should be purchased for a patient or an institution without consulting a physician who is trained to evaluate the equipment needed. Responsible manufacturers consider these machines a "prescription item," and they are provided to patients only on doctors' orders.

## FACT

*Since many artificial kidney patients are being treated at home by their own relatives, life-threatening mistakes are possible*

As with driving an automobile, operator errors are possible both during home dialysis and when treatment is performed in a hospital. Some of these errors can be serious, even fatal. However, most of the artificial kidney machines used in home dialysis are protected against most operator errors through a number of fail-safe automatic shutdown devices and light-buzzer alarms. These safeguards along with careful training, should prevent operator error.

## FICTION

*The highly publicized community patient selection committee is the best way to pick the patients who should be treated by the artificial kidney machines*

Optimally, treatment facilities should be adequate so that this life-saving procedure can be available to everyone who could benefit. Under such circumstances there would be no need for a community committee to "play God" by deciding who shall live and who shall die. Selection would become a purely medical decision as it should be. Few Patient Selection Committees are still in use. Most artificial kidney patients are being selected these days on the basis of medical criteria.

*Patients on the artificial kidney machine live only a short time*

Clyde Shields, the first chronic dialysis patient in this country, lived for more than 13 years after he began treatment, and died recently of a heart attack, apparently unrelated to his artificial kidney treatment. As treatment methods improve, a greater and greater number of artificial kidney patients are living for a long time. Many hemodialysis patients living today have been under treatment for years. However, as with any serious ailment, some of these patients do succumb, especially during the initial stages of treatment and before the end of the first year.

## FACT

*Patients can be given artificial kidney treatment outside of hospitals*

Less than half of the chronic dialysis patients are being treated in hospitals. The

rest are being treated at home, with a family member trained to help, and in dialysis centers, most of which are associated with hospitals but are not located in the hospital. There are even mobile dialysis vans in several areas, bringing the treatment to the patient, but this is still somewhat experimental.

*The artificial kidney machine does not cure kidney failure*

The artificial kidney is not a cure for kidney failure. It substitutes for kidney function but has no curative value. Once a patient's kidneys have ceased to function permanently, they will not resume their function no matter how many artificial kidney treatments are given. (Remember that some patients' kidneys have stopped functioning only temporarily, and these patients may be given a few artificial kidney treatments to tide them over until their own kidneys start to function again.) Therefore, chronic artificial kidney patients must be given dialysis treatment for the rest of their lives, unless the patient receives a kidney transplant from a living or deceased human donor. However, only certain patients are suitable for such transplants, and donor kidneys are exceedingly rare. (For further information about kidney transplants, ask for "Fact and Fiction About Kidney Transplant.")

#### THE NATION'S FOURTH BIGGEST KILLER IS AT THE BOTTOM OF THIS LIST

Amount raised (in millions)

1. American Cancer Society	\$65.2
2. American Heart Association	44.2
3. Nat'l. TB & Respiratory Disease Assn.	40.0
4. March of Dimes	24.7
5. National Easter Seal Society	24.5
6. Nat'l. Assn. for Retarded Children	20.5
7. Planned Parenthood Federation of America	17.0
8. United Cerebral Palsy Assn., Inc.	13.7
9. National Assn. for Mental Health	10.7
10. Muscular Dystrophy Assns. of America	10.2
11. The Arthritis Foundation	8.4
12. Nat'l. Multiple Sclerosis Society	8.2
13. American Foundation for the Blind	5.0
14. National Cystic Fibrosis Research Foundation	5.0
15. Epilepsy Foundation of America	33.0
16. National League for Nursing	3.2
17. National Council on Alcoholism	2.9
18. Leukemia Society of America	2.8
19. National Kidney Foundation	2.6

Everyone knows something about cancer and heart disease.

But few realize that 8 million people in this country have kidney disease. That it kills more people each year than automobile accidents. That we even have some of the answers, but that thousands will die just because we don't have enough money to use them.

And because so few people realize how serious kidney disease is, we're only number 19 on the list of contributions.

[From the New York Times, Oct. 24, 1971]

#### ARTIFICIAL KIDNEY USE POSES AWESOME QUESTIONS

(By Lawrence K. Altman)

SEATTLE, October 23.—Ernie Crowfeather, a bright, charming, part American Indian with a history of personal instability and brushes with the law, died recently at the age of 29 after refusing further life-supporting therapy.

By what was regarded as a suicide, Ernie averted the frightening possibility that his doctors would have had to purposely turn off for lack of funds and because of his irresponsibility, the artificial kidney that for two years had kept him alive on public money totaling \$100,000.

His case was extreme, but he shared some



of the problems of a growing number of Americans who are living on artificial kidneys and machines such as heart pace-makers and respirators. Others survive because technology has provided expensive long-term treatments such as those that prevent hemophiliacs from bleeding to death.

Yet because American society is now being forced to set priorities on its expenditures, the limited funds allocated for the saving of human lives have put many such decisions on a competitive basis. Expenditure of public funds to treat one adult on the artificial kidney must be balanced, for example, against their use to treat or prevent other diseases in several children. In the process, health experts say that many kidney patients are dying because they have no money to pay for expensive life-sustaining care.

For a host of reasons, the Seattle physicians who did the early work on artificial kidney treatment said that Ernie Crowfeather's case dramatically illustrated all the \* \* \* sciens encountered when they prescribed expensive modern medical techniques to prolong life.

During his two years on the artificial kidney, Ernie's case raised virtually every awesome question that could come up in the application of such costly sophisticated medical care for a person with a devastating illness—questions, basically, of who can be saved and who must die.

#### SOME OF THE QUESTIONS

Some of the questions doctors said, could arise in similar, less unusual instances. Yet many of the questions are not new. More than a decade after regular artificial kidney treatments were first begun here, an endless series of seemingly unanswerable questions still bound doctors and society.

With many more Americans dying every day from kidney disease than there are positions available for them in artificial kidney or transplant programs, how does one select those patients whose lives are to be spared? On what basis should doctors and society decide who gets the expensive treatments?

Precisely which members of society have the power and responsibility to decide who shall live and who shall die? What is the legal status of such decisions?

Once the decision is made, how can those kidney ravaged patients who are denied artificial kidney treatments or kidney transplants accept death gracefully?

Even for those selected as good candidates—medically and as responsible members of society—who pays?

Once therapy has begun, how can medical authorities reverse a decision to use a life-extending machine without fearing a potential charge of murder if the patient refuses to fully cooperate in his own treatment and if such refusal causes medical complications that raise costs to astronomical levels?

If therapy must be stopped because a patient's funds have been depleted, who must face the horrendous task of turning the machine off? What legal consequences might result for that individual or group of people?

Should society continue to support expensive life sustaining devices for patients who are convicted of criminal acts? If not whose responsibility is it to make the decision to stop treatment?

#### PROBLEMS DEVELOPED

As Ernie's case unfolded, each of these questions led to a dilemma.

Ernie Crowfeather, half-Sioux, half-Caucasian, was said to be a charmer, affable, a great lover and a thief whose criminal record had begun long before his kidneys failed. None of his friends, relatives and physicians interviewed since his death said they knew why Ernie robbed, passed bad checks and experimented with drugs like LSD.

One of his psychiatrists described Ernie

as a typical sociopath, so inadequately prepared to handle the world on his own that he arranged to be admitted to prisons and reformatories as places of shelter and protection.

In 1969, because Ernie had developed acute kidney failure, he entered the University of Washington Hospital, the teaching institution of the state-supported medical school for artificial kidney treatment. The artificial kidney cleansed his body of the toxic chemicals that are normally eliminated in the urine.

#### KNEW LITTLE OF BACKGROUND

Between treatments, his doctors disconnected the artificial kidney from a tube in his body so he could leave the hospital to join his friends in the world that he said had rejected him because of his Indian background—a heritage about which his family said he knew little.

His doctors eventually discovered that he had a mysterious, incurable kidney disease, the complications of which made it extremely difficult to treat him with an artificial kidney. With Ernie's permission he was given a kidney transplant—a kidney was removed from a dead person and surgically placed in his body—but within a year the body had rejected the transplanted organ, probably because he had not taken his medicines properly.

Once again, Ernie began thrice-weekly treatments on the artificial kidney, this time at home. But his personality could not cope with the routine that is needed to live on the artificial kidney, it was said, and the machine that they placed in his home had to be removed despite many demonstrations of its proper use. Instead, Ernie was again treated in a hospital, which is much more expensive than home therapy.

#### HOME TREATMENT FAVORED

Many kidney experts favor home treatment because the manpower and physical facilities, not the machines, are what make artificial kidney therapy expensive. It costs up to \$36,000 a year for thrice weekly treatments in profit-making hospitals and kidney centers and \$21,000 in the non-profit Northwest Kidney Center here.

Researchers have had great success in reducing the costs of artificial kidney therapy by treating the patient in his home rather than the hospital. Kidney experts here say that after an investment of \$10,000 to buy the machine and train the patient, the cost averages \$3,500 a year to treat him at home where the patient and his family provide the manpower.

Nevertheless, experts like Dr. Belding H. Scribner say that many patients with kidney disease who could be saved are dying for lack of treatment. Each year 7,000 Americans, many in the prime of their lives, reach the point where their kidney disease will kill them without a transplant or the artificial kidney. If all Americans who needed it got such therapy, Dr. Scribner said the total would eventually stabilize at 50,000 people.

#### FIFTEEN PERCENT GET THERAPY

Yet, Dr. Scribner said that just 6,700 Americans, 14 per cent of this total, are living today on transplants or artificial kidneys.

"We're simply not coming close to meeting the need," Dr. Scribner said.

Accordingly, Dr. Scribner said that inertia existed among physicians who know chances are one in seven that their patient can get such expensive therapy; the treatment can wipe out the savings of any middle-class American family.

"When chances are so slim, physicians would rather not raise false hopes for the patient and his family," Dr. Scribner said, and went on:

"Expensive treatments like this [artificial kidney] aren't going to work if to be eligible for state aid you have to sell your

house and give up your job. The payment issue has caused some of us to redefine the term medical indigency."

Dr. Scribner winced as he pointed out that in some states patients have refused treatment, thereby committing suicide, rather than become paupers in order to qualify for public financial assistance. He said that Washington and Maryland had redefined medical indigency to avoid such a possibility.

#### COMMITTEE APPROACHED

Ernie Crowfeather, unemployed and without insurance, appealed to the anonymous committee at the Northwest Kidney Center here that has the legal power to decide who shall get the funds that keep Washington's kidney disease patients alive. Center officials said that they assure lifetime support for 90 per cent of the applicants each year.

However, because of Ernie's lack of cooperation his doctor said he had developed an unending series of medical complications that made artificial kidney treatments so costly—about eight times that of the average patient. Accordingly, center officials said that his support would have deprived too many others of a chance at the therapy.

"Ernie Crowfeather would be an unsuccessful dialysis [artificial kidney] patient due to medical and emotional instability. Medical, psychiatric and social worker opinions reveal little hope for successful reform and indicate a high probable inability to manage home dialysis," the committee said in rejecting his application for a second time.

After the kidney center's rejection, people who had never met Ernie previously, but who had learned about his case from the hospital staff, went outside the system and began an emergency life-and-death appeal to the public for funds.

#### SOCIAL WORKER COMMENTS

"I just couldn't understand how the doctors were going to pull the plug on this character and let him go, no matter who he was," said Peter Schnurman, a social worker for a philanthropic organization here. So he and Mrs. Elizabeth Morris of the Indian Center helped to start a drive to raise \$20,000 beyond the \$80,000 already spent to keep Ernie alive. Less than a year later, knowing the \$20,000 was gone and telling friends that he had muffed his chance, Ernie disappeared from the hospital for the last time.

While he stayed away, hospital physicians and administrators held several meetings, never able to make firm decisions about their course of action in the event that he returned.

Should they continue to treat Ernie on the artificial kidney and at whose expense, they asked each other. If not, which doctor would stop these treatments and on what grounds?

The decisions never had to be made. Ernie stayed away until he died two weeks later in Ellensburg, a town about 100 miles from Seattle where no artificial kidney exists.

Some doctors said privately that if Ernie had come back they would have stopped the treatment, not only because he had been uncooperative but also because he had said his life was miserable.

Hospital administrators said they would not have permitted such a decision to have been made without approval from the state's higher officials. Everyone said they feared a court challenge because there apparently are no legal precedents for doctors stopping life-sustaining therapy in the case of a physically fit ambulatory patient.

#### IS PROTECTION POSSIBLE?

If physicians are forced to turn off the machine on an uncooperative active patient, could state legislatures or courts protect the doctors and hospital officials by backing up their decisions, provided that they had been thoroughly discussed with family members beforehand?

Some physicians say the decision is so com-

plex that society, not just doctors, must decide. Other doctors say they fear a charge of murder if they stop therapy on a patient like Ernie.

If society considers it suicide for a patient like Ernie to die as he did by refusing life-supporting therapy, then, by the same logic, the doctors say, it must be murder for physicians to deliberately turn off these machines.

As Dr. Scribner concluded:

"You can't call it suicide on one hand and not call it murder on the other—you can't have it both ways. That's a new issue of fundamental importance that these magnificent medical advances have raised and that society must now face squarely."

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HARTKE. I yield to the distinguished Senator from Kansas, who is a cosponsor of the amendment.

Mr. DOLE. Mr. President, I say to the Senator from Indiana that I am pleased to join in sponsoring this amendment. It deals with a subject in which the Senator from Kansas has a rather personal interest. He has a somewhat higher awareness than perhaps some people of the importance of kidney disease and kidney injuries, because I have lived quite well for the past 25 years with only one. I understand quite clearly the importance of having at least one in good working order and have a rather close-at-hand appreciation for the dangers and burdens of kidney disease and injury.

As the Senator from Indiana has pointed out the occurrence of major kidney disease or injury can inflict tremendous medical and financial burdens on individuals and their families. These burdens are frequently reduced to basic life and death questions.

The problems know no barriers of race, geography, age, or sex. They are widespread, and the experiences of many of my Kansas constituents have clearly demonstrated the need for concentrated action to be taken to meet these needs. And as the Senator has pointed out quite clearly, there is a need.

I think that the one reservation that could be raised to the amendment is in approaching some of these catastrophic illnesses on a piecemeal basis rather than on a broad basis. But I firmly believe that the Senator from Indiana's amendment is at least a step in the direction that will bring about some much needed progress.

I support the amendment and am pleased to join the Senator as a cosponsor.

Mr. HARTKE. Mr. President, I am delighted to have the support of the distinguished Senator from Kansas. I did not know of the personal interest he had. For any family who has had this problem, it is one which is very touching.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. JACKSON. Mr. President, I commend the Senator from Indiana and the Senator from Kansas for sponsoring this amendment.

We in the Northwest are very proud that the first kidney machine was put together at the University of Washington Medical School, under the leadership of Dr. Belding Scribner.

As the able Senator from Indiana has pointed out, the current cost is roughly \$22,000 per year per patient. The cost initially was more than \$30,000 per year per patient. They are now lowering the cost. There is now a home kidney machine, the cost of which has been reduced to under \$10,000 per year.

I think it is a great tragedy, in a nation as affluent as ours, that we have to consciously make a decision all over America as to the people who will live and the people who will die. We had a committee in Seattle, when the first series of kidney machines were put in operation, who had to pass judgment on who would live and who would die. I believe we can do better than that. We have patients who have been on the machine for more than 10 years and are leading normal lives.

So I would hope that we would make an effort here, at least a beginning, to approve the amendment, so that we can do better than we have done heretofore.

Mr. HARTKE. I thank the distinguished Senator from Washington.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. MAGNUSON. I am familiar with what my colleague has said. As a matter of fact, at one time they wanted me to be on the committee that would dip into the fishbowl to pick out the names. I said, "No, thank you"; I did not want it.

We do have in the HEW bill which is now before the Senate a substantial increase in funds, not only for transplant but also for kidney machines. If a transplant does not work—they have been fairly successful—there is no place for the fellow to go after that but on a machine. That adds to the problem, because more and more transplants are being undertaken. The percentage is getting better and better.

So the Senator's amendment would complement what we are doing in the HEW bill to increase the availability.

My colleague from Washington mentioned that from the beginning, when Dr. Scribner put together the first machine, it cost a great deal of money, but we are reducing the cost. The testimony was that they are hopeful of getting the cost of home treatments down to \$5,000 or \$6,000 a year. The problem has been—and the Senator's amendment will be helpful—not so much in getting the cost of the machines down, which they are doing by engineering and medical research, but in getting trained people to know how to use the machines on those who need them. A person cannot do it by himself.

So in the HEW bill we are encouraging, in the rehabilitation services and in training, the teaching of not only medical auxiliaries that will know how to do it but even a brighter spot on the horizon in this terrible matter before us—say a man needs a kidney treatment, his wife can now go to one of the places in the hospital, like a nursing place, and find out how to do it, or vice versa. That is being done.

I compliment the Senator.

The PRESIDING OFFICER (Mr. JACKSON). The time of the Senator from Indiana has expired.

The Senator from Louisiana has 15 minutes.

Mr. HARTKE. Mr. President, I ask unanimous consent to extend the colloquy for another 5 minutes.

Mr. BENNETT. Mr. President, does that mean 5 minutes to each side?

Mr. HARTKE. To each side, yes.

All I want is to permit other Senators to make a statement. I have none.

Mr. BENNETT. I will be happy to yield 5 minutes of my time, if that will be satisfactory.

Mr. HARTKE. So far as I know, it will be. I just do not wish to shut off any other Senator from making a statement.

The PRESIDING OFFICER. The Chair states that the distinguished Senator from Florida (Mr. CHILES) wishes to make a statement.

Mr. BENNETT. I have control of the time in opposition, and I yield 5 minutes to the Senator from Indiana (Mr. HARTKE) so that he may discuss this matter with the Senator from Florida.

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Florida?

Mr. HARTKE. I yield.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I thank the Senator from Indiana and the Senator from Utah for yielding me this time. I associate myself with the remarks made by the distinguished Senator from Indiana, the Senator from Kansas, and the two Senators from Washington. I am delighted to be a cosponsor of the amendment.

I happen to be honorary chairman of the Florida Kidney Foundation, Inc., in the State of Florida for this year. In that connection, I have some knowledge of what the Senator is working on. Certainly this is going to be a far-reaching amendment. As the Senator from Washington pointed out, in this country with so much affluence, to think there are people who will die this year merely because we do not have enough of these machines and do not have enough dollars, so that we do have to make the choice of who will live and who will die, when we already know we have a good treatment that can succeed and keep these people alive, while we are working out other improvements in transplants, finding cures, and everything else necessary. This should not happen in this country. But we have come a long way.

I want to ask the Senator, as I listened to his explanation and his point about disability, how would that affect a child? How would that affect someone under the age of 21?

Mr. HARTKE. The amendment would provide for extension of this kind of treatment not only for the wife but also for the children. It provides for complete coverage in line with the approach of the distinguished chairman of the Finance Committee, Mr. Long, regarding catastrophic illnesses.

Mr. CHILES. This amendment, then, would consider a child as being disabled and eligible for treatment regardless of the fact that the father was working, because of the tremendous expense involved.

Mr. HARTKE. That is exactly right,



and this explains the necessity for this amendment being drawn in this fashion, rather than in some other fashion.

Mr. CHILES. I am delighted to hear that the Senator's amendment provides complete coverage.

Mr. HARTKE. I want to thank the Senator and make it clear that at this time there is no difficult problem as to the availability of the machines, nor as to the availability of sufficient treatment as indicated by the Senator from Washington. There is one machine that is 13 years old, and still alive is one person of that original group who went on that first machine. So, for those who want to know how long it will prolong life, all I can say is that we do not yet know its full potential.

In this field, the distinguished Senator from Louisiana (Mr. Long) has been a long-time advocate dealing with the problems of catastrophic illnesses. This is one area for an effective means and an effective method. It certainly is not a cure-all, nor is it a solution for all of catastrophic illnesses, or the cases on which he has devoted so much of his time, but it is one on which we can have some unanimity of understanding as to the approach to a solution which will be good for everyone.

Mr. BENNETT. Mr. President, I yield myself such time as I may require.

I am under no illusions. When yesterday the Senate voted \$2.5 billion for eyeglasses, hearing aids, and foot massages, there is no question about the fact that the Senate is about to vote another \$100 million to \$250 million for kidney dialysis and transplantation.

At risk of branding myself as one who is opposed to this program and, therefore, one who wants to see people die—which obviously I do not—there are one or two observations that must be made before the inevitable vote on this amendment is taken.

Yesterday and today the Senate added more than \$5 billion to the cost of social security. This amount is small, estimated variously as between \$100 million and \$250 million. What is going on reminds me of a television ad I see every once in a while, of a very happy housewife who takes you to her cupboard and opens it up and says, "Christmas in September; isn't it a wonderful idea? I can sit at home and have all these good things brought to me. I do not have to go out and fight the shoppers in December."

Well, Mr. President, obviously, we are involved here in a new "Christmas in September" program. We may well be on the way to loading down the bill to the point where, A, it will die of its own weight in the Senate or, B, it will die of its own weight in the process of trying to get a conference.

If we are going to use this as a vehicle to bring out every worthy beneficial program and pile it onto this bill, I am not sure that the bill will be able to carry it. The point has already been made and I am sure will be made again, that the whole issue of a national program for health insurance lies ahead of us. The chairman of the Ways and Means Committee of the House has indicated that this will be one of his major programs for next year. The President had a program

which will undoubtedly be resurrected next year. Other Members of the Senate have programs.

This amendment represents a move to pick out one particular phase of health care and bring it in ahead of the others and write it into law. There are a lot of other diseases that people are subject to which are as serious as the kidney problem. We cannot add them to this particular bill without weighing it down to the point where it cannot carry it.

I think that a more reasonable way to handle this amendment would have been to delay action until it can become a part of a broader health insurance bill.

I recognize that the chairman of the committee has been anxious to cover this whole field of catastrophic illness, but realizing the weight that such coverage would put on the bill he has refrained from offering that amendment to this particular bill, being willing to let it be carried over until we got onto the whole health care issue the next time Congress meets.

As I have said, I have no illusions as to what the Senate will do with this amendment. But, I shall vote against it, first, because I believe this is not the proper vehicle to which it should be attached and, second, because I want to make a slight protest against adding this additional straw to the financial burden that will break the back of the social security system.

As I say, I know what will happen to it. Mr. President, I am prepared to yield back—I will be happy to yield some time now to the chairman.

Mr. LONG. Mr. President, the amendment which I am sponsoring along with Senator HARTKE would cover under medicare those persons who suffer from chronic renal disease and who need kidney dialysis or transplantation. As Senators know, H.R. 1 already contains a provision which covers the disabled under medicare. This amendment is drafted as an addition to that section. Although I am sure that most Senators would consider those who need kidney dialysis to be disabled, many of them are able to get back to work so that they cannot meet the specific social security disability requirements. This amendment would deem them disabled for medicare purposes only regardless of their work status. Additionally the amendment would cover all people fully or currently insured under social security and their spouses and dependents rather than only covering insured workers.

The medicare coverage would become available to those with chronic kidney disease 6 months after the onset of their condition. This guarantees that the disease is chronic and also assures an appropriate mesh with private insurance coverage.

Mr. President, the next Congress will tackle health insurance issues, and I am sure during that debate we will deal with health insurance problems in general, and I hope that specifically we will deal with the problem of insuring against catastrophic illness.

I am cosponsoring this proposal at this time because these very unfortunate citizens with chronic renal failure cannot wait for Congress to debate these

broader issues. They need help—it is critical—and that help must come now as many of them, without assistance, simply will not be alive for another 2 years.

Mr. President, I still hope that the Congress will be able to pass at some point a complete catastrophic health insurance proposal, but I think that this particular problem must be dealt with now.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LONG. I yield back my time.

Mr. BENNETT. May I withhold my time, because I did withhold it for the chairman. We have equally serious problems which we have not begun to attack, which are not so striking as the kidney problem. There is the problem of the hemophiliacs, who must constantly receive blood transfusions if they are to remain alive. Nobody is worried about them in this bill.

This demonstrates that we are picking out one particular sector of the whole health care problem, and because it is dramatic, we are trying to push it ahead of everything else. We can only handle so much. We can only finance so much.

I hope—but I have no illusions, as to whether or not the Senate will reject this amendment—the Senate rejects the amendment.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the Hartke-Long amendment. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mrs. EDWARDS), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Alabama (Mr. SPARKMAN), the Senator from Virginia (Mr. SPONG), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. JORDAN) and the Senator from Wyoming (Mr. MCGEE) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Minnesota (Mr. MONDALE), the Sen-

ator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. GAMBRELL), and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

Mr. SCOTT. I announce that the Senators from Colorado (Mr. ALLOTT and Mr. DOMINICK), the Senator from Tennessee (Mr. BAKER), the Senator from Delaware (Mr. BOGGS), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Florida (Mr. GURNEY), the Senator from Wyoming (Mr. HANSEN), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senators from Ohio (Mr. SAXBE and Mr. TAFT), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Iowa (Mr. MILLER), and the Senator from Illinois (Mr. PERCY) would each vote "yea."

The result was announced—yeas 52, nays 3, as follows:

[No. 490 Leg.]

YEAS—52

Aiken	Dole	Moss
Allen	Fannin	Nelson
Bayh	Fong	Packwood
Beall	Fulbright	Pastore
Bellmon	Hartke	Pearson
Bentsen	Hatfield	Proxmire
Bible	Hollings	Schweiker
Brock	Hruska	Scott
Burdick	Hughes	Smith
Byrd	Inouye	Stennis
Harry F., Jr.	Jackson	Stevens
Byrd, Robert C.	Jordan, Idaho	Stevenson
Cannon	Kennedy	Symington
Case	Long	Talmadge
Chiles	Magnuson	Thurmond
Church	Mansfield	Tunney
Cooper	Mathias	Young
Cranston	McClellan	

NAYS—3

Bennett	Buckley	Ervin
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NOT VOTING—45

Allott	Griffin	Mundt
Anderson	Gurney	Muskie
Baker	Hansen	Pell
Boggs	Harris	Percy
Brooke	Hart	Randolph
Cook	Humphrey	Ribicoff
Cotton	Javits	Roth
Curtis	Jordan, N.C.	Saxbe
Dominick	McGee	Sparkman
Eagleton	McGovern	Spong
Eastland	McIntyre	Stafford
Edwards	Metcalfe	Taft
Gambrell	Miller	Tower
Goldwater	Mondale	Weicker
Gravel	Montoya	Williams

So the Hartke-Long amendment was agreed to.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BURDICK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I believe it would be helpful if the Senate would vote on the committee amendment that appears beginning on line 6, page 954 through line 18, page 963. Although this amendment has already been agreed to when the committee amendments were adopted en bloc, it would be well in conferring with the House on this matter in difference that we be able to state the Senate's position on this particular item.

I ask unanimous consent that notwithstanding the fact that this amendment has been agreed to en bloc along with others, that this amendment be subject to a vote of the Senate, and that it remain subject to amendment if it is agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

WORK BONUS FOR HEADS OF LOW-INCOME FAMILIES

In General

SEC. 534. (a) The Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subtitle:

"Subtitle I—WORK BONUS PROGRAM

"CHAPTER 97.—WORK BONUS PROGRAM

"Sec. 10001. Payment.

"Sec. 10002. Recovery of overpayments; penalties.

"Sec. 10003. Cooperation of other Government agencies.

"Sec. 10004. Applications; regulations.

"Sec. 10005. Definition of eligible individual.

"Sec. 10006. Appropriation of funds for payments.

"Sec. 10001. PAYMENT.

"(a) IN GENERAL.—Except as provided in subsection (d), the Secretary or his delegate shall pay to each eligible individual upon application therefor made after the close of a calendar year, an annual payment for that calendar year in an amount determined under subsection (b).

"(b) DETERMINATION OF AMOUNT.—

"(1) IN GENERAL.—The amount of the payment to which an eligible individual is entitled under this chapter for any calendar year is an amount equal to 10 percent of not more than \$4,000 of the wages or compensation paid to him, or to him and his spouse, if he is married (as determined under section 143)—

"(A) with respect to which taxes were deducted and withheld under section 3102 (relating to deduction of tax from wages under the Federal Insurance Contributions Act) or section 3202 (relating to deduction of tax from compensation under the Railroad Retirement Act); or

"(B) by the Work Administration for services performed by a participant in guaranteed employment and with respect to which the Work Administration certifies to the Secretary under section 2052(e)(4) of the Social Security Act was paid for services performed on behalf of an employer under a contract entered into with the Work Administration under section 2052(e) of such Act.

"(2) LIMITATION.—The amount of the payment to which an eligible individual is entitled for any calendar year under paragraph (1) shall be reduced by one-fourth of the amount by which his income, or, if he is married (as determined under section 143), the total of his income and his spouse's income for the calendar year exceeds \$4,000. For purposes of this paragraph, the term 'income' means all income from whatever source derived, other than payments provided

by this chapter, determined without regard to subtitle A (relating to income taxes).

"(c) ADVANCE PAYMENTS.—

"(1) IN GENERAL.—Upon application therefor made after the close of any of the first three quarters of any calendar year, the Secretary or his delegate shall pay to an eligible individual an advance payment on account of the annual payment to which he reasonably expects to be entitled under subsection (a) for that year. The amount of any advance payment to which an eligible individual is entitled at the close of any calendar quarter shall be equal to—

"(A) the annual payment to which the eligible individual would be entitled with respect to the wages and compensation described in subsection (b)(1) received by him on or before the close of the most recent quarter for which application is made, taking into account the wages, compensation, and other income received and reasonably expected to be received during the calendar year, reduced by

"(B) the amount of advance payments made to him, or for which he made application, for any prior quarters of the calendar year.

"(2) MINIMUM ADVANCE PAYMENT.—No advance payment shall be made under this subsection for any amount less than \$30.

"(3) DETERMINATION OF STATUS.—For purposes of this subsection, the determination of whether an eligible individual is married shall be made as of the close of the calendar quarter or quarters for which an application for payment has been filed by that individual.

"(4) ANNUAL STATEMENT.—Any individual who receives an advance payment under this subsection for any calendar year shall file, after the close of that year, a statement with the Secretary or his delegate setting forth the amounts he has received as advance payments under this subsection during that year, the amount of income he and his spouse, if any, have received during that year, and such other information as the Secretary or his delegate may require and in such form and at such time as he may require.

"(d) CREDIT IN LIEU OF PAYMENT.—An eligible individual may elect for any taxable year to take the amount of any payment to which he is entitled under this chapter as a credit against tax under section 42. The election shall be filed at such time and in such form as the Secretary or his delegate may prescribe.

"Sec. 10002. RECOVERY OF OVERPAYMENTS; PENALTIES.

"(a) RECOVERY OF OVERPAYMENTS.—If the Secretary or his delegate determines that any part of any amount paid to an individual for any year under this chapter was in excess of the amount to which that individual was entitled under this chapter for that year, the Secretary or his delegate shall notify that individual of the excess payment and may—

"(1) withhold, from any amounts which that individual is entitled to receive under this chapter in any subsequent year, amounts totaling not more than the amount of that excess;

"(2) treat the amount of that excess as if it were a deficiency under subchapter B of chapter 63 of subtitle F and utilize the procedures available to him under that subtitle to collect that amount;

"(3) enter into an agreement with that individual for the repayment of that amount; or

"(4) take such other action as may be necessary to recover that amount.

"(b) PENALTIES.—Each application form and any other document required to be filed under this chapter shall contain a written declaration that it is made under penalty of perjury. The provisions of chapter 75 (relating to crimes, other offenses, and forfeitures) shall apply to such forms and documents.



**"SEC. 10003. COOPERATION OF OTHER GOVERNMENT AGENCIES.**

"The Secretary or his delegate is authorized to obtain from any agency or department of the United States Government or of any State or political subdivision thereof such information with respect to any individual applying for or receiving benefits under this chapter, or any individual whose income is taken into consideration in determining benefits payable to an eligible individual under this chapter, as may be necessary for the proper administration of this chapter. Each agency and department of the United States Government is authorized and directed to furnish to the Secretary or his delegate such information upon request.

**"SEC. 10004. APPLICATIONS; REGULATIONS.**

"(a) **IN GENERAL.**—The Secretary or his delegate shall develop simple and expeditious application forms and procedures for use by eligible individuals who wish to obtain the benefits of this chapter, arrange for distributing such forms and making them easily available to eligible individuals, and prescribe such regulations as may be necessary to carry out the provisions of this chapter.

"(b) **TIME FOR FILING APPLICATIONS FOR PAYMENT.**—No annual payment may be made to an eligible individual for a calendar year unless the application for that payment is filed on or before the last day of the calendar quarter following the close of that year. No advance payment may be made to an eligible individual for any calendar quarter or quarters unless the application for that payment is filed on or before the last day of the calendar quarter following the close of the quarter or quarters for which application is filed. For purposes of section 42, failure to file an application for an annual payment within the time prescribed by this subsection shall not affect an eligible individual's entitlement to such payment.

**"SEC. 10005. DEFINITION OF ELIGIBLE INDIVIDUAL.**

"For the purpose of this chapter, 'eligible individual' means an individual—

"(1) who is physically present in the United States;

"(2) whose wages are subject to tax under chapter 21 or 22 (relating to the Federal Insurance Contributions Act and the Railroad Retirement Tax Act, respectively) or who receives compensation from the Work Administration for services performed in guaranteed employment on behalf of an employer under a contract entered into with the Work Administration under section 2052 (e) of the Social Security Act; and

"(3) who maintains a household which includes a child of that individual with respect to whom he is entitled to a deduction under section 151 (e) (1) (B).

**"SEC. 10006. APPROPRIATION OF FUNDS FOR PAYMENTS.**

"There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, for each fiscal year such sums as may be necessary to enable to the Secretary or his delegate to make payments under this chapter."

**Credit in Lieu of Payment**

(b) (1) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by redesignating section 42 as 43, and by inserting after section 41 the following new section.

**"SEC. 42. WORK BONUS.**

"There shall be allowed to a taxpayer who is an eligible individual (as defined in section 10005) and who makes an election under section 10001 (d) for the taxable year, as a credit against the tax imposed by this chapter an amount equal to any amount to which he is entitled under chapter 97 for that year unless he has applied to receive that amount

as a payment under that chapter. The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section."

(2) The table of sections for such subpart is amended by striking out

"Sec. 42. Overpayments of tax."

and inserting in lieu thereof

"Sec. 42. Work bonus."

"Sec. 43. Overpayments of tax."

(3) Section 6401 (b) of the Internal Revenue Code of 1954 (relating to excessive credits) is amended by—

(A) inserting after "lubricating oil)" the following: ", 42 (relating to work bonus);", and

(B) striking "sections 31 and 39" and inserting "sections 31, 39, and 42".

(4) Section 6201 (a) (4) of such Code (relating to assessment authority) is amended by—

(A) inserting "or 42" after "SECTION 39" in the caption of such section; and

(B) striking "oil)" and inserting "oil) or section 42 (relating to work bonus)."

(5) Section 6211 (b) (4) of such Code (relating to rules for application of definition of deficiency) is amended by striking "credit under section 39" and inserting "credits under sections 39 and 42", and by striking "such credit" and inserting "such credits".

(6) Section 6213 (f) (3) of such Code (relating to restrictions applicable to deficiencies; petition to Tax Court) is amended by striking "section 39" and inserting "section 39 or 42".

(7) Section 72 (n) (3) of such Code (relating to determination of taxable income) is amended by striking "sections 31 and 39" and inserting "sections 31, 39, and 42".

**Exclusion of Work Bonus Payment From Gross Income**

(c) (1) Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as 125 and by inserting after section 123 the following new section:

**"SEC. 124. WORK BONUS PAYMENTS.**

"Gross income does not include any amount received as a payment under chapter 97."

(2) The table of sections for such part is amended by striking out

"Sec. 124. Cross references to other Acts." and inserting in lieu thereof

"Sec. 124. Work bonus payments.

"Sec. 125. Cross references to other Acts."

**Effective Date**

(d) The amendments made by this section shall take effect on January 1, 1973, and shall apply with respect to taxable years beginning after December 31, 1972.

Mr. LONG. Mr. President, this provision in the bill provides, what we on the committee have termed a work bonus for low-income workers. This would be of major assistance to workers with a low income.

Mr. President, the simplest way to explain it is to say that as far as the working man is concerned it means that those who are making \$4,000 or less, and have children to support will, in effect, have returned to them the money that represents the social security tax they have paid, as well as most of the social security tax paid on their behalf by the employer.

It would provide a payment based on 10 percent of the earnings of those workers. The purpose here is to prevent the social security tax from taking away from the poor and low-income earners the money they need for support of their families.

Mr. President, it would prevent the taxing of people onto the welfare rolls. As Senators know, the social security tax has no exemptions, so even a person making less than the minimum wage is paying a social security tax. We did not want to in any way prejudice the social security funds, so, it was our view that social security taxes should continue to be collected and paid into the fund; however, that there should be paid from general funds an amount equal to 10 percent of the worker's earnings up to \$4,000.

The social security tax under the bill will go to 12 percent; 10 percent will in effect be refunded to the worker. This is proceeding on the theory that it is far better to provide the working man some tax relief than it is to provide him with welfare payments.

It is far more dignified and the benefits are entirely work-related. Some of these people might qualify for welfare; others would not. We estimate that about 5 million family heads plus their families would be benefited by this provision.

If a person with children to support were making \$4,000, this provision would mean he would get a tax refund of \$400 a year, or \$100 every quarter. It phases out on a 1 for 4 ratio up to the figure of \$5,600. If, for example, a person were making \$4,800 a year, he would have an annual refund of \$200. If a person were making \$4,400 a year, he would have an annual refund of \$300.

There appears on page 94 of the committee report a chart, which I ask unanimous consent to put in the Record at this point, which indicates how a husband and wife would benefit from this provision.

There being no objection, the tabulation was ordered to be printed in the Record, as follows:

*Annual income of husband and wife (assuming it is all taxed under social security)*

	Work bonus
\$2,000	\$200
3,000	300
4,000	400
5,000	150
5,600	0

Mr. LONG. For example, if they were earning \$2,000, they would receive a work bonus of \$200. If they were earning \$3,000, they would receive a work bonus of \$300. If they were earning \$4,000, they would receive a work bonus of \$400. It would phase out so that at \$5,000 they would receive a \$150 work bonus, and at \$5,600 they would receive zero.

The entire purpose of this provision is to help low-income working people. This is a provision the committee felt would help them by in effect lifting from their backs the taxes they pay.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ALLEN. Does that take into account the fact that the employer pays half the social security tax, and if the employee got the full amount of the social security tax back, would he not be getting considerably more than had been charged to him?

Mr. LONG. This provision proceeds on the theory that even the employer's por-

tion of the tax was generated by the efforts of the working man. The employer would have to put up the social security tax in any event.

In an effort to be as helpful as we can to the working man, we recognize the fact that his effort is generating not only his part of the tax but also is making possible the employer's contribution. The employee needs that money now, so we would pay it for him and his wife, keeping in mind that this is one way we can help the poor in a work-related way and prevent them from having to go on welfare.

Mr. ALLEN. As the Senator knows, it is not only the employees who are groaning against ever-increasing social security taxes; it is also the employer, and especially the small employer, the small businessman, the employer who has only a few employees. He might feel that he is getting left out in this picture in that the refund would go to the employee only.

Mr. LONG. Senator, this provision is based on this theory that a tax cut would be far better than putting that family on welfare.

Mr. ALLEN. I am going to support the Senator's amendment.

Mr. LONG. We are satisfied that we can justify what amounts to a tax cut. As far as the tax that the employer is supposed to pay is concerned, in most cases the employee is not paying any 6 percent social security tax; he is paying 12 percent. The reason for that is that, in the last analysis, it is the employee who is paying on behalf of the employer and the employee, because the employee absorbs that tax every time he buys something. When his wife buys food at the grocery store, when she buys clothes for the family, everything she buys has a social security tax cranked into it as a part of the cost of doing business. So, in the last analysis, it is more the consumer than it is the employer who is burdened with the social security tax, because it is passed onto the ultimate consumer of the product as a cost of doing business.

To find a dignified way to provide help to a low-income working person, whereby the more he works the more he gets, and at the same time to phase it out in such a way as not to decrease the incentive to work, we on the committee came up with this work bonus proposal. This way will benefit many working poor, many of whom are not on public welfare, and many of whom we hope will not be. We hope that this kind of tax relief would do much to help low-income working persons.

As I have said, it is estimated that this provision would help 5 million heads of families.

Mr. ALLEN. What about the self-employed? How would they figure into it?

Mr. LONG. This provision does not cover the self-employed. The reason for that is that coverage of the self-employed involves problems. We struggled with the question of bringing the self-employed into it, and the complications to which that led were more than we could supply answers for at the time. If this provision works—and the committee feels it will work—we hope we will find a way to meet the technical diffi-

culties in extending the provision to the self-employed.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CHILES. As I understand the purpose of this provision, it is to allow some help to be given to the working poor in a way which would not be giving them a welfare check. It would not be taking away the worker's pride. It would put him in a position where he would not feel he has to be a recipient of welfare. This proposal would not be like the present family assistance program, would it, where we would take somebody not now on welfare, who is employed, but give him a monthly check and put him on the welfare rolls? This would be a way of supplementing his earnings and getting around that; would it not?

Mr. LONG. That is the way we view it. We conceived this proposal initially as, in effect, relieving low-income working persons from the social security tax, but then when we thought in terms of the extent to which we might be able to help them, it seemed to us we could justify completely this kind of help, not only because it amounted to a refund of a tax which had been paid by the employee himself, but because the tax had been paid by the employer on the employee's behalf, on the theory that that, too, was something that was generated by his work efforts.

We felt we would be justified in having him get a refund of more than 5 percent, or 6 percent when the tax goes to 6 percent; that we could justify giving 10 percent to the working poor, which corresponds largely to a refund to the workingman on the tax generated by his work efforts. It still would permit enough of the tax of the employer and employee not to be refunded that he would be able to feel that some of his tax supported money was flowing back to him from the contribution made by him.

One can look at this as he wants to. He can look at it as a work subsidy for those making low wages. He can look at it as a tax refund. We decided to call it a work bonus, because, whatever one calls it, it results from tax money collected as a result of the man's working.

Mr. CHILES. The touchstone of our tax system was that we were going to tax those with the ability to pay. One of the faults of the social security system is that continually we really place the same burden, or a greater burden, on those least able to pay, because if we started with a system in which one paid only 4 percent, and only on the first \$3,600, it was going on the person who was earning his pay by the strength of his arm and the sweat of his brow, and yet there were always some welfare features in the bill which should have been taken care of by general revenues. This is recognizing that we should base it on the ability to pay, to help that man to help himself, and not take his pride away from him, not put him into the class where he has got to feel like he is taking a dose.

I think the amendment is an excellent amendment. As the chairman knows, I appeared before his committee with an amendment something like this, and

wanted to bring it up on this bill, in which I was going to provide that until he reaches the point where he is paying Federal income tax, he will not pay any social security tax; because why should we charge him social security on the first dollar he makes, and yet give him a refund of his income tax up to the point that he reaches \$3,600, depending on how many dependents he has or whatever it is? Here we are going to charge a man on the first dollar he earns and every dollar after that, because he is in that bracket.

So I think the chairman has a good amendment here, and I am delighted with the amendment, because I think it is better than the guaranteed wage, family assistance, or whatever it is, where we would take away a man's pride; because one thing I found out when I campaigned was that the first thing anyone told me, if he was not on welfare, whether he was white, red, black, or anything, was, "I don't get one of those Government checks." He had his pride.

I am talking about a man working on the road, digging a ditch, farming, a shade-tree mechanic, or anything else; the first thing he would tell me was, "I don't get that Government check; I ain't on that dole."

To put such a man on Government assistance has always shattered me. Yet how could we help him? This tax credit, giving him some basis of helping himself without taking away his pride, I think, is the best way to do it, and I am delighted that the committee has proposed this amendment.

Mr. LONG. Mr. President, we not only agreed with the Senator's amendment, we went him one better. He wanted to take the social security tax off the poor. We have proposed to do that, not just as to the part collected from him, but also the part collected from the employer on his behalf, almost all of it. We felt there should be some small amount of tax collected on his behalf to flow into the social security fund, but this 10 percent can be justified; and, frankly, as the one who proposed this matter in committee, the argument the Senator from Florida made and the experiences he had in talking to people on the highways of Florida, which he related to me, about their plight and their desire not to be on welfare but to work to support their families, played a major part in the fact that this matter is not before the Senate.

Just as a matter of simple fact, I have been dismayed to see some of the studies indicating that the poor in this Nation are paying altogether more taxes than they should. I suspect that some of those studies are misleading, because they fail to take into account what we refer to as the transfer payments, that is, the welfare payments and social security payments being paid to the poor which makes it possible for them to have revenue with which to pay taxes. But in any event, even when you take all that into consideration, the poor are still paying too much in the way of taxes.

Insofar as we can do something about it at the Federal level, we think that this just about does the job. Maybe we can find some way to help the States to relieve their poor from some of the re-



gressive taxes that exist in the State governments which burden the poor. That is a different problem, and that is something we will have to struggle with when we have a tax reform bill next year or the year after. But insofar as the tax system under social security involves a tax that tends to tax away from the working poor the money they need to provide for their families, this would relieve them of that burden.

Mr. CHILES. I certainly agree with the chairman. As I said before, I think sometimes when we use these terms we almost use a misnomer in terms when we talk about the working poor. Most of the people out there that I found who were working did not consider themselves poor. If they were working they did not consider themselves poor, and did not even like to be referred to as poor. They felt that they were paying a heavier burden, and knew they were paying a heavier burden, than the guy getting an oil depletion allowance or a deferred compensation allowance, or the guy who had a charitable foundation helping him out, or the person with all kinds of deductions that way. They knew they were paying more than their share, but they did not consider themselves poor, because they were working; and I think we need to do everything we can to maintain in them that feeling of pride.

Mr. LONG. Mr. President, I ask for the yeas and nays on the amendment. The yeas and nays were ordered.

Mr. HARTKE. Mr. President, I have a parliamentary inquiry.

The PRESIDING OFFICER (Mr. CANNON). The Senator will state it.

Mr. HARTKE. As I understand it, this amendment was agreed to previously when the committee amendments were agreed to en bloc.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARTKE. Under the circumstances, however, in such a situation, is it not true that the committee amendments as agreed to en bloc were subject to further amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARTKE. As I understand it, when the chairman of the committee called up this amendment, notwithstanding the fact that it had previously been agreed to, there was reserved the right to offer further amendments to the amendment.

The PRESIDING OFFICER. Yes. The Senator is correct.

Mr. HARTKE. Yes. However, I would like to make this further parliamentary inquiry: If the amendment is adopted, does that preclude further consideration of any other amendment dealing with this subject matter under H.R. 1?

The PRESIDING OFFICER. No, it does not.

Mr. HARTKE. All I want to know is, is it necessary, in order to preserve the rights of a Senator at this time on this subject matter, that an amendment would have to be introduced to this amendment, or an amendment in the nature of a substitute addressed to this amendment, or are such rights preserved during the further consideration of the bill?

The PRESIDING OFFICER. All rights are preserved.

Mr. HARTKE. In other words, let me make it very clear again: Even though this amendment is agreed to on a roll-call vote, and even though there be a motion to reconsider and a motion to lay on the table the motion to reconsider that matter, would it then be subject to being reopened at a later date?

The PRESIDING OFFICER. The amendment would still be subject to further amendment.

Mr. HARTKE. The reason I ask that, and I direct my remarks to the chairman of the committee at this moment, is that this is an integral part of the committee's so-called workfare program. Am I correct in that?

Mr. LONG. If you want to look at it that way. It depends on the point of view. As far as I am concerned, this is something we ought to do whether we have a guaranteed work opportunity or whether we should have a family assistance plan. I would think that in either event we would want to provide this advantage for working people who are not on welfare, not seeking any welfare help, and that even when they go to work, it is far better to pay them something as a work-related tax advantage than it is to pay it as something else.

Mr. HARTKE. I want to make a few observations, but I do want to ask some questions about this amendment.

The first observation is that it is generally recognized on the floor of the Senate, as has been stated repeatedly by various Senators, that the social security tax is a regressive form of taxation, in that it places the burden on those least able to pay, in placing a larger percentage of taxation on those in the lower income groups. It is certainly much heavier for them than it is for the higher income groups, and the fact is that when you get into the astronomical figures around \$100,000 a year, the percentage of taxation you pay for social security is extremely low for those individuals.

We have adopted, I think, the general view here that something should be done of a major nature to repeal outright the regressive nature of social security taxation, and substitute for that some type of fair method of taxation of a progressive nature along the lines of the graduated income tax.

That can be done in a number of ways. One is that the whole social security trust fund could be abolished and payments made out of general revenues.

I personally think that the trust fund is nothing more than an abdication of authority, and that they should be eliminated in every field. I think the trust fund concept is simply a statement that Congress does not have the ability to make individual judgments each and every time it is necessary for the future of the country.

So we freeze in concepts and principles which in some cases are outmoded as much as 30 years. That probably is one of the real difficulties with the whole welfare system—the fact that we have a combination welfare system and social security system. The social security system is tied to a regressive form of taxation, and the welfare system is operating out of the general fund. Real reformation of the welfare system has been prevented by the fact that we have had the trust

fund concept, which provides for some type of insecure, illusory type of security for people who are aged.

Another method of dealing with the question of the trust fund would be to provide for some type of general assumption of the trust fund liabilities in the form of a third and a third and a third—that is, one-third coming from the employee, one-third coming from the employer, and one-third coming from the general fund of the Government. This concept, basically is followed by practically every industrialized nation in the world except the United States; that is, the social security systems throughout the industrialized world and Western civilization provide for at least a one-third contribution by the Federal Government. I would favor a proposal similar to that as a second choice to the complete elimination of the trust fund concept itself.

I have an amendment which provides for a system of gradual assumption of the responsibility of the trust fund on a one-fifth escalating basis, but I do not want to go into that now.

The reason why I raise the question at this time is that I think the pending amendment, by the estimates we have, costs \$900 million. I ask the chairman of the committee if that estimate is correct.

Mr. LONG. The report says \$900 million, and I will accept that figure.

Mr. HARTKE. In other words, that is the estimate at the present time; and, of course, that figure will escalate as the years go by, unless something of a major nature is done to change the poverty levels of the United States.

I ask the Senator if that is not a correct assumption.

Mr. LONG. It is difficult to say. As income levels rise, the cost of this proposal should go down; but, then, more people will be working, in a larger work force. So it is difficult to say.

Mr. HARTKE. I should like to address my attention now to the Senator from Florida. He said that, in campaigning, he found people not on welfare who said, "I don't get one of those Government checks." Under this system, a person will get one of the Government checks. As I understand the amendment, they will get it on a quarterly basis and come back on the tax credit basis at the end of it. I ask the chairman if that is true.

Mr. LONG. It can be either a tax credit or—

Mr. HARTKE. No. I want to make it clear. Let me ask the question again.

As I understand the system, in order to qualify for this 10-percent work bonus, the determination would be made quarterly; and at the end of that quarter, if it is determined that he is entitled to a work bonus under the amounts designated in the bill, and as reported in the bill, he would apply for it at that time, and he would receive a quarterly check. Then, if all the quarterly checks did not total the amount to which he would ultimately be entitled, he could apply the balance of his requirements and his deduction as a tax credit against his ultimate tax liability.

Mr. LONG. This provision is written as a tax credit. The workingman, at the end of the year, can simply take this

on his tax return as a tax credit that is due him.

If he wants to do so, he can apply to receive it quarterly; and in that event, he receives it quarterly.

Mr. HARTKE. I am not debating at this moment the desirability or undesirability of it. All I am pointing out is that Senator CHILES has made the statement that these people are opposed to those individuals receiving the Government checks.

When the employer files the return, let us say, on April 15, for the first quarter earnings, from January to March 31, at that time the employee is entitled to make an application for that Government check and to receive it as quickly as the bureaucratic machine can turn it out. Is that not correct?

Mr. LONG. He is entitled to apply for it on a quarterly basis and to receive it every 3 months. If he fails to do so, he will receive it as a tax credit, which he claims on his tax return.

Mr. HARTKE. To go back to the tax consequences: What has been introduced into the situation is a completely new form of taxation which is based on an individual and his wife, with no consideration for exemptions. I know that in the argument made for tax reform, some people would like to eliminate exemptions entirely. I am not one who subscribes to that.

Various methods of tax credits have attempted to be applied. But the fact remains that this introduces into the tax system not only the regressive form of taxation on social security and the progressive form of taxation of exemptions for children, but also a third item—that is, a form of taxation which is in between, which gives consideration only to the husband and wife, with no consideration for the size of the family beyond that. Is that correct?

Mr. LONG. We are giving a taxpayer a refund. We are returning to him his tax money. It is a refund from the point of view of the taxpayer. It does not make any difference to us whether he has one child or five children.

Mr. HARTKE. The point is that, as the report says on page 94, "The plan incorporates the feature of not varying benefits by family size," which, under the progressive income tax law, is determinative—

Mr. LONG. He gets the money back whether he has one child or five children. The social security tax is levied on that man, and if he has five children he pays the same amount of social security tax as if he has one. The refund works on the same basis.

Mr. HARTKE. It points up clearly for the Senate that what needs to be done is not to approach this matter in this halfhearted method, in my judgment—and I respect the opinion of the chairman and the committee in this regard.

The Senator is saying that he recognizes that the tax system of social security is regressive. He wants to do something to help the working poor, and he comes back with an idea which is neither fish nor fowl and does not deliver across the board.

In my opinion, it would be fairer to

that individual, when he is working, to either eliminate entirely the regressive form of social security taxation or otherwise not assess that tax, in the first place, if he is in that low-income group.

The amendment I have prepared would meet the objections of the Senator from Florida, who is concerned about Government checks. It would eliminate any bureaucratic operation of Government checks, because the working poor person would never have that social security tax deducted from him, in the first place. That is a much more preferable item.

However, as I understand the parliamentary situation, such an amendment would be in order at a later time during the discussion of H.R. 1. I should like to repeat at this time and make a parliamentary inquiry. In the event this amendment is adopted on a rollcall vote—and I think it will be—then would an amendment which would provide for withholding of the tax assessment on the working poor still be in order?

As I understand it, the majority leader is anxious now to move on to another matter, and I am willing to concede that.

I do point out, again, that what we are dealing with here is a \$900 million amendment which does not cure the evils which are admitted so far as the actual philosophy of dealing with the working poor is concerned; which, in effect, really does not provide the money for the individual at the time he needs it—that is, on a weekly basis—but forces him to go on an annual basis or a quarterly basis. It adds more bureaucracy, the added problem of making application, and probably, in my opinion, would be highly unworkable.

Mr. SCOTT. Mr. President, I think that Senate action on this amendment and any other on the committee's program to reform the family welfare system should be deferred until the whole family program is before the Senate, and all three of the pending versions—the committee's, Senator RIBICOFF's, and the House-passed bill—can be considered as a whole.

I shall vote for this amendment, but I do not consider this vote as an expression of the will of the Senate as to the merits of any one plan over any other.

Mr. MANSFIELD. Mr. President, I understand that we are ready for the vote on the pending amendment. I am all for it.

I wish to announce to the Senate that after this amendment is disposed of, the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) will offer an amendment and he would like to speak for about 5 minutes or so on it. In line with the commitment made by the leadership with the Senate yesterday, I should like to have the privilege of calling up Calendar No. 1186, H.R. 16593, an act making appropriations for the Department of Defense.

The PRESIDING OFFICER (Mr. CANON). The question is on agreeing to the committee amendment.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mrs. EDWARDS), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Alabama (Mr. SPARKMAN), the Senator from Virginia (Mr. SPONG), the Senator from California (Mr. TUNNEY), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I also announce that the Senator from Wyoming (Mr. MCGEE) and the Senator from North Carolina (Mr. JORDAN) are absent on official business.

On this vote, the Senator from West Virginia (Mr. RANDOLPH) is paired with the Senator from Connecticut (Mr. RIBICOFF).

If present and voting, the Senator from West Virginia would vote "yea" and the Senator from Connecticut would vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Georgia (Mr. GAMBRELL), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea."

Mr. SCOTT. I announce that the Senators from Colorado (Mr. ALLOTT and Mr. DOMINICK), the Senator from Tennessee (Mr. BAKER), the Senator from Delaware (Mr. BOGGS), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Florida (Mr. GURNEY), the Senator from Wyoming (Mr. HANSEN), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senators from Ohio (Mr. SAXBE and Mr. TAFT), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from Iowa (Mr. MILLER), and the Senator from Illinois (Mr. PERCY) would each vote "yea."



The result was announced—yeas 49, nays 5, as follows:

## [No. 491 Leg.]

## YEAS—49

Aiken	Cranston	McClellan
Allen	Dole	Moss
Bayh	Ervin	Nelson
Beall	Fannin	Packwood
Bennett	Fong	Pastore
Bentsen	Fulbright	Pearson
Bible	Hatfield	Proxmire
Brock	Hollings	Schweiker
Buckley	Hruska	Scott
Burdick	Hughes	Smith
Byrd	Inouye	Stennis
Harry F., Jr.	Jackson	Stevens
Byrd, Robert C.	Jordan, Idaho	Symington
Cannon	Long	Talmadge
Case	Magnuson	Thurmond
Chiles	Mansfield	Young
Church	Mathias	

## NAYS—5

Bellmon	Hartke	Stevenson
Cooper	Kennedy	

## NOT VOTING—46

Allott	Gurney	Pell
Anderson	Hansen	Percy
Baker	Harris	Randolph
Boggs	Hart	Ribicoff
Brooke	Humphrey	Roth
Cook	Javits	Saxbe
Cotton	Jordan, N.C.	Sparkman
Curtis	McGee	Spong
Domnick	McGovern	Stafford
Eagleton	McIntyre	Taft
Eastland	Metcalfe	Tower
Edwards	Miller	Tunney
Gambrell	Mondale	Weicker
Goldwater	Montoya	Williams
Gravel	Mundt	
Griffin	Muskie	

So the committee amendment was agreed to.

Mr. STEVENSON. Mr. President, I voted against the Long amendment to set up a program of work-bonuses for low-income workers because I believe it is markedly inferior to the provisions of both H.R. 1 as passed by the House and Senator RIBICOFF's substitute as a means of providing income assistance to the working poor. Under the Finance Committee program, an employer working full time and earning \$4,000 would receive a bonus of \$400 while an employee, also working full time and earning only \$2,000 would receive a bonus of \$200. What kind of logic does it make to provide a worker with a bonus twice as large as his fellow worker if he is already earning twice as much as that fellow worker. It stands to reason that the worker with the lower salary is in greater need. It should be pointed out also that the bonus does not vary with the size of the worker's family.

The provisions of welfare reform, as proposed both by the President and Senator RIBICOFF, are preferable. Under welfare reform, the working poor would receive assistance based both on family size and income levels. As incomes rise and needs therefore lessen payments would be reduced, rather than increased.

I hope that the passage of this amendment will not lessen the possibility of achieving a rational welfare reform system, but I fear that it may.

Mr. LONG. Mr. President, I ask unanimous consent that the language of the committee report on the work bonus for low-income workers that appeared on pages 425 and 426 of the committee report, be printed in the RECORD.

There being no objection, the language was ordered to be printed in the RECORD, as follows:

## WORK BONUS FOR LOW-INCOME WORKERS

Low-income workers in regular employment who head families would be eligible for a work bonus equal to 10 percent of their wages taxed under the social security (or railroad retirement) program, if the total income of the husband and wife is \$4,000 or less. For families where the husband's and wife's total income exceeds \$4,000, the work bonus would be equal to \$400 minus one-quarter of the amount by which this income exceeds \$4,000. Thus there would be no work bonus once total income reaches \$5,600 (\$5,600 exceeds \$4,000 by \$1,600; one-quarter of \$1,600 is \$400, which subtracted from \$400 equals zero).

The work bonus could be taken as a tax credit when an individual files his annual tax return (this would most likely be done if an individual is entitled to only a small payment). However, the bonus could be applied for on a quarterly basis if the family's entitlement (either for the quarter or cumulatively) exceeds \$30. For example, a family head earning \$2.00 per hour (where the family has no other income) would be eligible for about \$75 quarterly, and he could apply for and receive the bonus quarterly. If the family head earns \$100 a week (and the family has no other income), annual income will total \$5,200 and he will be entitled to a work bonus of \$100 annually (\$5,200 exceeds \$4,000 by \$1,200; one-quarter of \$1,200 is \$300, which subtracted from \$400 leaves \$100). In this case, he may receive \$50 after the end of the second quarter and \$50 after the end of the fourth quarter since his entitlement in each of the first and third quarters is less than \$30.

The size of the work bonus is shown on the table below for selected examples:

Annual income of husband and wife (assuming it is all taxed under social security)

	Work bonus
\$2,000	\$200
3,000	300
4,000	400
5,000	150
5,600	0

The work bonus described above incorporates the features of (1) not varying benefits by family size, but only by income, providing no economic incentive for having additional children; and (2) having a gradual phaseout of the amount of the payment as income rises above \$4,000 so as not to create a work disincentive.

The committee bill would apply the 10 percent work bonus only to earnings taxed under the social security and railroad retirement programs. The bonus thus may be viewed as a kind of rebate of these taxes for low-income workers (including a substantial portion of the tax paid by the employer on the employee's wages). However, the employer would continue to withhold social security taxes from the employee's earnings for deposit into the trust funds, and the employee would continue to receive credit for these earnings for social security purposes—in other words, the social security program would not be affected in any way by the work bonus.

There are certain types of work which are covered under social security but only when the amount of wages earned from a single employer exceeds \$50 in a quarter. This limitation applies to the employment of domestics, yardmen and other similar non-business employees. Such employees (if they are still heads of a family) would get the work bonus with respect to all of their wages including those not covered by social security because of the \$50 quarterly limitation. In order to qualify for the work bonus on these wages, however, the individual would have to arrange to perform the work as an employee of the Work Administration which would pay him the prevailing wage for the job and bill the private employer for the wages and other

costs associated with making his services available. If the employment would ordinarily be covered by social security, then it will be covered under social security when arranged on this basis by the Work Administration. If the employment is not covered by social security, then the employer will not have to pay social security taxes. In either case, there will be a Federal record of all such wages on which the payment of the work bonus may be based.

The 10 percent work bonus would be administered by the Internal Revenue Service.

## AMENDMENT NO. 1663

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER (Mr. CRANSTON). The clerk will report the amendment.

The assistant legislative clerk proceeded to state the amendment.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in the RECORD.

The amendment is as follows:

Beginning on page 689, line 11, strike out through page 736, line 12, and insert in lieu thereof the following:

## TITLE IV—PROGRAMS FOR FAMILIES WITH CHILDREN

## PART A—TESTING OF ALTERNATIVE PROPOSALS FOR ASSISTANCE TO FAMILIES WITH CHILDREN; FISCAL RELIEF FOR STATES

## AUTHORIZATION FOR CONDUCT OF TEST PROGRAMS

## SEC. 401. (a) For purposes of this part—

(1) The term "family assistance test program" means a program patterned after that contained in amendment No. 1614, 92d Congress, 2d session, introduced in the Senate on September 28, 1972.

(2) The term "workfare test program" means a program patterned after that contained in parts A and B in title IV of H.R. 1, 92d Congress, 2d Session, as reported to the Senate by the Committee on Finance on September 26, 1972, and

(3) the term "family" means a family with children.

(b) (1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") is authorized, effective January 1, 1973, to plan for and conduct or contract to conduct, in accordance with the provisions of this section, not more than four test programs. Two of such programs shall be family assistance test programs as defined in subsection (a) (1) of this section, and one of such programs shall be workfare test programs.

(2) Whenever a workfare test program is commenced, there shall commence, on the same date as such program, a family assistance test program. Except as may otherwise be authorized by the Congress, no test program under this section shall be conducted for a period of less than 24 months or more than 48 months, and to the maximum extent practical each such test program shall be conducted for the same length of time.

(3) Any such test program shall be conducted only in and with respect to an area which consists of one or more States, one or more political subdivisions of a State, or part of a political subdivision of a State, and shall be applicable to all the individuals who are residents of the State or the area of the State in and with respect to which such program is conducted.

(4) During any period for which any such test program is in effect in any State or in any area of a State, individuals residing in such State or the area of the State in which such program is in effect shall not be eligible for aid or assistance under any State plan or program for which the State receives Fed-

eral financial assistance under part A of title IV of the Social Security Act.

(5) The Secretary, in determining the areas in which test programs under this section shall be conducted, shall select areas with a view to assuring—

(A) that the number of participants in any such program will (to the maximum extent practicable) be equal to the number of participants in any other such program; and

(B) that the area in which any family assistance test program is conducted shall be comparable (in terms of size and composition of population, of average per capita income, rate of unemployment, and other relevant criteria) to an area in which a workfare test program is conducted.

(c) (1) No test program under this section shall be conducted in any State (or any area thereof) unless such State shall have entered into an agreement with the Secretary under which the State agrees—

(A) to participate in the costs of such test program; and

(B) to cooperate with the Secretary in the conduct of such program.

(2) Under any such agreement, no State shall be required to expend, with respect to any test program conducted within such State (or any area thereof), amounts greater than the amounts which would have been expended with respect to such State or area thereof (as the case may be), during the period that such test program is in effect, under the State plan of such State approved under part A of title IV of the Social Security Act. For purposes of determining the amount any State would have expended under such a plan during the period that any such test program is in effect within such State (or any area thereof), it shall be assumed that the rate of State expenditure (from non-Federal funds) under such plan would be equal to the average rate of State expenditure (from non-Federal funds) under such plan for the 12-month period immediately preceding the commencement of such test program.

(d) (1) The Secretary shall, upon completion of any plans for and prior to the commencement of any test program under this section, submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a complete and detailed description of such program and shall invite and give consideration to the comments and suggestions of such committees with respect to such program.

(2) During the period that test programs are in operation under this section, the Secretary shall from time to time (but not less frequently than once during any 6-month period) submit to the Congress a report on such programs. Each such report shall contain full and complete information and data with respect to such programs and the operation thereof, together with such recommendations and comments of the Secretary with respect to such programs as he deems desirable.

(3) At the earliest practicable date after the termination of all test programs authorized to be conducted by this section, the Secretary shall submit to the Congress a full and complete report on such programs and their operation together with (A) the Secretary's evaluation of such programs and such comments or recommendations of the Secretary with respect to such programs as he deems desirable and (B) his recommendations (if any) for legislation to revise or replace the provisions of part A of title IV of the Social Security Act.

(e) (1) The Secretary shall—

(A) in the planning of any test program under this section; or

(B) in assembling information, statistics, or other materials, to be contained in any report to Congress under this section;

consult with, and seek the advice and assistance of, the General Accounting Office and the General Accounting Office shall consult with the Secretary and furnish such advice and assistance to him upon request of the Secretary or at such times as the Comptroller General deems desirable.

(2) The operations of any test program conducted under this section shall be reviewed by the General Accounting Office, and the books, records, and other documents pertaining to any such program or its operation shall be available to the General Accounting Office at all reasonable times for purposes of audit, review, or inspection. The books, records, and documents of each such program shall be audited by the General Accounting Office from time to time (but not less frequently than once each year).

(3) During the period that test programs are in operation under this section, the Comptroller General shall from time to time (but not less frequently than once during any 6-month period) submit to the Congress a report on such programs which shall contain full and complete information and data with respect to such programs and the operation thereof, together with such recommendations and comments of the Comptroller General with respect to such programs as he deems desirable.

(4) At the earliest practicable date after the termination of all test programs authorized to be conducted by this section, the Comptroller General shall submit to the Congress a full and complete report on such programs and their operation together with his evaluation of, and comments and recommendations (if any), with respect to such programs.

(f) In the administration of test programs under this section, the Secretary shall provide safeguards which restrict the use or disclosure of information identifying participants in such programs to purposes directly connected with the administration of such programs (except that nothing in this subsection shall be construed to prohibit the furnishing of records or information concerning participants in such programs to the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives).

(g) For the purpose of enabling the Secretary to formulate operational plans and to conduct test programs under this section, there are hereby authorized to be appropriated for each fiscal year \$200,000,000.

#### FISCAL RELIEF FOR STATES

SEC. 402. Effective January 1, 1973, section 403 of the Social Security Act is amended to read as follows:

On page 736, line 13, strike out "412" and insert in lieu thereof "403".

On page 737, line 20, strike out "404(d)" and insert in lieu thereof "402(a) (8)".

On page 738, line 18, strike out "411(a) (1) (A) (1)" and insert in lieu thereof "407(a) (1)".

On page 738, lines 19 through 24, strike out "subclause (I) of section 411(a) (2) (B) (1)", "subclause (II)", and "subclause (I) of subparagraph (B) (ii)" where they appear, and insert in lieu thereof "section 407(b) (1) (A)", "subparagraph (B)", and section 407 (b) (2) (A)", respectively.

On page 739, line 1, strike out "409" and insert in lieu thereof "402(a) (19)".

Beginning on page 739, line 15, strike out through page 741, line 17.

On page 741, line 18, strike out "(3)" and insert in lieu thereof "(2)".

On page 741, line 19, strike out "graphs (1) and (2)" and insert in lieu thereof "graph (1)".

On page 741, line 24, beginning with "(except)" strike out all through "402(d) (1)" on page 742, line 4.

On page 742, line 9, strike out "409(f)" and insert in lieu thereof "402(a) (19) (G)".

On page 742, strike lines 11 and 12 and in-

sert in lieu thereof "tures as are for the training of personnel employed or pre-".

On page 742, line 15, beginning with "and" strike out all through "410(a) (2)" on line 17.

On page 742, line 22, strike out "407" and insert in lieu thereof "402(a) (14) and (15)".

On page 743, line 2, strike out "404(c)" and insert in lieu thereof "402(a) (7)".

Beginning on page 743, line 12, strike out through "of such payment" on page 744, line 1, and insert in lieu thereof the following: "families and (ii) services provided pursuant to section 408(f) (2)".

On page 747, strike out lines 11 and 12 and insert in lieu thereof "shall be reduced with respect to any State for any fiscal year after June 30, 1973".

On page 747, line 15, strike out "409(f)" and insert in lieu thereof "402(a) (19) (G)" and on line 20 strike out "409(a)" and insert in lieu thereof "402(a) (19) (A)".

On page 747, line 25, strike out "(a) (3)-(B)" and insert in lieu thereof "(a) (2) (B)".

Beginning on page 748, line 1, strike out all through page 751, line 16.

On page 751, line 18, delete "402" and insert in lieu thereof "403".

On page 751 line 19, delete "412" and insert in lieu thereof "403".

On page 751, line 20, delete "added" and insert in lieu thereof "amended".

Beginning on page 752, line 16, strike out through page 769, line 11, and insert in lieu thereof the following:

#### PART B—EMPLOYMENT WITH WAGE SUPPLEMENT

SEC. 420. The Social Security Act is amended by adding after title XIX thereof the following new title:

On page 769, line 12, strike out "Subpart 2" and insert in lieu thereof "Title XX".

On page 769, line 15, and on page 771, line 19, strike out "2030" and insert in lieu thereof "2001".

On page 769, lines 16 and 21, on page 770, line 5, and on page 771, line 21, strike out "2071" and insert in lieu thereof "2003".

On page 770, line 11 and lines 21 and 22, and on page 771, lines 5, 6, and 11, strike out "Work Administration" and insert in lieu thereof "Secretary".

On page 770, lines 12 and 23, strike out "it" and insert in lieu thereof "him".

On page 771, line 13, strike out "2031" and insert in lieu thereof "2002", and on line 14, strike out "subpart" and insert in lieu thereof "title".

Beginning on page 772, line 3, strike out through page 797, line 25, and insert in lieu thereof the following:

#### "DEFINITIONS"

"Sec. 2003. For purposes of this title—  
"(a) The term 'Secretary' means the Secretary of Labor.

"(b) The term 'regular employment' means any employment provided by a private or public employer.

"(c) The term 'United States', when used in a geographic sense, means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

On page 799, line 18, strike out "Work Administration" and insert in lieu thereof "Secretary"; and on line 21, strike out "and training" and insert in lieu thereof "with wage supplement".

Beginning on page 800, line 8, strike out through page 803, line 23.

On pages 804 through 827, strike out "402(h)" each time it appears and insert in lieu thereof "402(a) (26)".

Beginning on page 825, line 11, strike out through page 826, line 3.

On page 829, between lines 2 and 3, insert the following:

#### AMENDMENTS TO PART A OF TITLE IV

SEC. 430A. (a) Section 402(a) (8) (A) of the Social Security Act is amended—



(1) by striking out "and" at the end of clause (i);

(2) by striking out the semicolon at the end of clause (ii) and inserting in lieu thereof a comma; and

(3) by adding at the end of clause (ii) the following new clause:

"(iii) \$20 per month, with respect to the dependent child (or children), relative with whom the child (or children) is living, and other individual (living in the same home as such child (or children)) whose needs are taken into account in making such determination, of all income derived from support payments collected pursuant to part D; and".

(b) Section 402(a)(9) is amended to read as follows: "(9) provide safeguards which permit the use or disclosure of information concerning applicants or recipients only to (A) public officials who require such information in connection with their official duties, or (B) other persons for purposes directly connected with the administration of aid to families with dependent children;"

(c) Section 402(a)(10) is amended by inserting immediately before "be furnished" the following: ", subject to paragraphs (24) and (26)."

(d) Section 402(a)(11) is amended to read as follows: "(11) provide for prompt notice (including the transmittal of all relevant information) to the Attorney General of the United States (or the appropriate State official or agency (if any) designated by him pursuant to part (D)) of the furnishing of aid to families with dependent children with respect to a child who has been deserted or abandoned by a parent (including a child born out of wedlock without regard to whether the paternity of such child has been established);"

(e) Section 402(a) is further amended—

(1) by striking out "and" at the end of paragraph (22); and

(2) by striking out the period at the end of paragraph (23) and inserting in lieu thereof a semicolon and the following: "(24) provide (A) that, as a condition of eligibility under the plan, each applicant for or recipient of aid shall furnish to the State agency his social security account number (or numbers, if he has more than one such number), and (B) that such State agency shall utilize such account numbers, in addition to any other means of identification it may determine to employ, in the administration of such plan; (25) contain such provision pertaining to determining paternity and security support and locating absent parents as are prescribed by the Attorney General of the United States in order to enable him to comply with the requirements of part D; and (26) provide that, as a condition of eligibility for aid, each applicant or recipient will be required—

"(A) to assign to the United States any rights to support from any other person he may have (i) in his own behalf or in behalf of any other family member for whom he is applying for or receiving aid, and (ii) which have accrued at the time such assignment is executed, and which will accrue during the period ending with the third month following the month in which he (or such other family members) last received aid under the plan or within such later month as may be determined under section 455(b), and

"(B) to cooperate with the Attorney General or the State or local agency he has delegated under section 454, (i) in establishing the paternity of a child born out of wedlock with respect to whom aid is claimed, and (ii) in obtaining support payments for interest and for a child with respect to whom such aid is claimed, or in obtaining any other payments or property due herself or such child."

(1) Sections 402(a) (17), (18), (21), and (22), and section 410 of such Act are repealed.

On page 830, lines 19 to 21, strike out "as a division of the Work Administration (established under title XX of this Act)".

On page 833, line 3, strike out "the Work Administration" and insert in lieu thereof "recipients of assistance under title IV of this Act, and persons who have been or are likely to become applicants for or recipients of such aid,".

On page 834, line 17, strike out "title XX" and insert in lieu thereof "part A of title IV".

On page 836, lines 1 and 2, strike out ", in addition to the powers it has as a division of the Work Administration,".

On page 837, strike out line 19 and insert in lieu thereof "persons receiving assistance under part A of title IV".

On page 851, strike out lines 17, 18, and 19.

On page 851, line 20, strike out "(b)" and insert in lieu thereof "Sec. 2114(a)".

On page 852, line 4, strike out "(c)" and insert in lieu thereof "(a)".

Mr. MANSFIELD. For the information of the Senate, I want to repeat again the intention of the leadership that, at the conclusion of the brief remarks of the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.), the majority leadership will endeavor to call up H.R. 16593, the Defense appropriation bill.

Mr. President, I make that unanimous-consent request at this time.

The PRESIDING OFFICER. Is there an objection?

Mr. ROBERT C. BYRD. It has already been done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. And I wish to tell the Senate that as far as the leadership is concerned, it hopes that there will be votes on amendments this afternoon. As I understand, there is a rumor going around that there will be no votes. I wish to disabuse Members of that thought, because there may well be votes.

We are operating on a shoestring at the present time with 54 Members present. I would urge all Senators to take into consideration the meaning of what the Senate is, and even if it is Saturday afternoon, to stay here and attend to our duties.

Mr. MATHIAS. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. MATHIAS. I want to make an inquiry as to whether it is the leadership's intention to try to complete action today on the Defense appropriations.

Mr. MANSFIELD. If it could be done, I would be delighted; but I must say in all candor and in all likelihood, it cannot be done; but I would hope we could at least get started on amendments.

Mr. MATHIAS. Yes. I have always respected the majority leadership's judgment, and I think it is excellent in this case, because here we are dealing with a \$75 billion bill, the second largest appropriation bill since World War II. It is a bill which, I think, requires more time and more attention than the half of the Senate which is present can give it on a rainy Saturday afternoon.

Mr. MANSFIELD. I am sure that the weather has nothing to do with only half the Senate being present, because I do not think the roads are so slick they could not be here if they wanted to. But as I said, I expressed the personal hope that it could be finished this afternoon, even late into the evening; but in all candor, I must reiterate that I do not

think that is a possibility. But I do hope we could have some votes on some amendments.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. As I understand it, the amendments just submitted to the clerk's desk is the pending business; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HARRY F. BYRD, JR. Mr. President, I shall speak very briefly on this. Of course, it will not be called up for a vote today. I will describe briefly the purpose of this amendment.

Congress has had under consideration for some time now three different proposals in regard to welfare legislation. One is the administration proposal for a \$2,400 guaranteed income. That has passed the House of Representatives twice, and it has been before the Senate Finance Committee since 1970. It was considered by the committee in 1970, 1971, and in 1972. It was rejected by the committee.

I think it is probably accurate to say it was rejected by the committee unanimously, although I do not want to make that statement categorically. It was overwhelmingly rejected by the committee.

Another proposal under discussion is the so-called Ribicoff proposal, offered by the distinguished Senator from Connecticut. It is similar to the administration backed plan, except it is a more costly version. It also provides for a guaranteed annual income. The third proposal was developed by the Committee on Finance and it is known as the workfare plan, or one might say the Long-Bennett plan, or one might say the Long plan. Whatever it might be, perhaps it is best described by calling it the workfare proposal. It seems to me that this proposal is going in the right direction.

What we want to do, as I see it, is to get people off of welfare instead of adding more people to the welfare rolls and the workfare plan is an incentive for individuals to go to work. The other two plans are lacking in work incentives and also embody the principle of guaranteed annual income. The workfare plan guarantees the principle of guaranteed job opportunities. I certainly favor the concept. I am concerned as to the cost of the workfare proposal. I am not satisfied yet as to what that cost will be. It will not be more costly than the administration program; it will be far less costly than the Ribicoff proposal, but I still am not satisfied as to the cost, and I do not believe we have adequate cost estimates.

We know the other programs will be tremendously costly; they are bound to be. The administration program doubles the number of people on welfare. That was the testimony submitted to the committee 2 years ago. There will be many more millions of people put on wel-

fare if either the administration-backed proposal is approved or the Ribicoff proposal is approved.

It seems to me that before we go into a gigantic new program, whether it be the administration-backed proposal, the Ribicoff proposal, or the workfare proposal, regardless which one Congress may decide to take, before going into such a program it certainly should be piloted out and tested out in several areas of this country, and then let HEW come back to Congress and submit the results of such test, such pilot projects, and then Congress can decide which features will work and which will not work.

The amendment I have submitted provides for four tests: Two of the committee's workfare plan, and two of the Ribicoff amendment plan, so that it provides for a total of four tests. HEW would be permitted to make the decision as to where it might wish to conduct these tests. I think that certainly in going into a gigantic new program that Congress should have some idea as to how these new proposals will work in practice.

Now, when the Secretary of Health, Education, and Welfare, Mr. Richardson, came before the committee, in his formal statement he said that his proposal was revolutionary and expensive—revolutionary and expensive, and most certainly he is accurate in that statement. Almost the only thing about Mr. Richardson's welfare plan I agree with him on is that it is revolutionary and expensive.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the chairman of the committee.

Mr. LONG. Mr. President, I do not think the Secretary had any idea how expensive his proposal could be, because while what he was proposing would call for a great deal of money, the cost of that program is far more formidable than just the first cost because there is no way a plan can be put into effect that is going to stop at a guarantee \$2,400 a year to everybody. I think he started out with a guarantee of \$1,600 and then he had to go to \$2,400 to try to get it through the House.

Mr. HARRY F. BYRD, JR. In 1 year.

Mr. LONG. Yes. So he himself had to increase his proposal by \$800 to try to get it through the House. He started by guaranteeing everybody \$2,400. Almost every recipient from the day he gets the first check will scorn you on the theory it is not enough; that at a minimum it should be up to the poverty level, which is \$4,000 for a family of four, and we are talking about \$2,400 for a family of four under the family assistance plan.

When they go to the \$4,000 figure, if the Senator thinks they are going to satisfy those people at \$4,000 he just has not had the good fortune of coming in contact with the National Welfare Rights Organization. They have been clamoring, conducting sit-down strikes and sit-down demonstrations in the halls outside of our committee room, and using their best efforts at the National Democratic Convention. They came up with a one-third vote at the National

Democratic Convention calling for \$6,500. That would give us some 104 million people on the welfare rolls for starters. You would soon have more people on the taking-down end than you would have on the putting-up end in this country under that scheme.

A person under that scheme, as under the Ribicoff amendment, would be able to keep a portion of every dollar he earns, so he would not go off of welfare rolls until he received more than \$10,000 a year. More than one-half the people in the country would be welfare beneficiaries.

There is no way to put that family assistance plan into effect without having constant increases. Even the Senator from Connecticut (Mr. Ribicoff) who was the sponsor of that proposal last year was urging then and urges now that you should put something far more liberal than \$2,400 into effect, that that is too niggardly, even for beginners.

To show the number of people who would be on the welfare rolls, if we went to the \$3,000 proposed in the Ribicoff amendment No. 559, there would be 40 million people on welfare rolls. But if we went to the Harris proposal which is \$4,000 a year, the poverty level—it is said if you are going to guarantee income you could not go below the poverty level—that is up to 81 million people on the welfare rolls. Under the McGovern proposal for \$6,500 it would go to 104 million people on the welfare rolls.

Mr. President, when you go down the road of guaranteed income, the Senate should know there is involved far more than just starting out by providing welfare payments for another 10 or 12 million people as would be proposed by H.R. 1. That is just openers, as the Senator from Idaho (Mr. Jordan) said, just to use a poker player's terms. It is just openers until the next candidate for office can call your bet and propose something more. So in short order anyone going down the road to amendment No. 559 would provide at least \$3,000.

One could not defend that. He would have to apologize even for offering that, and he would have to go to the Harris bill, which would authorize \$4,000. That would get 81 million on the welfare payroll. So, before we get going in the direction where we would have more welfare beneficiaries than taxpayers, we had better not start on that road. That is what the committee discussed. That is what I discussed. We felt that once we started down that road, we could not go back, and that we had better turn back toward sanity while the Nation can still stand the burden being placed on it, rather than wait until we would have to make drastic changes in our form of government to bring it about.

Mr. HARRY F. BYRD, JR. If we are going to establish the principle of a guaranteed income, I do not see how we can logically make it less than the poverty level. I put that question to Governor Rockefeller, who is the foremost advocate of this program, and he said he agreed with that in principle, but he said if we could start out this way, it would be a start, and then we would go beyond that point.

That is why I am opposed to writing into law the principle of a guaranteed annual income. I do not think such a program should be put into effect unless it has been tested and we have had the opportunity to know what parts of it would work, and the many ramifications of it.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. BENNETT. I have listened to the proposal, and I am very interested, but I would hope it would contain an opportunity to test H.R. 1 as it came from the House, because we share the responsibility for this program with the House Ways and Means Committee. I would think that if we are going down the road of a test, and particularly if we are going to go to conference with them on the principle of a test, we should have an opportunity to test the House proposal, which is less expensive than the Ribicoff proposal.

Mr. HARRY F. BYRD, JR. I think the Senator raises a good point. It occurred to me that what we would be testing is the principle, and the principles are the same whether they be under the Ribicoff or the House-passed proposal. But I see no objection, so far as I am concerned, to changing this so that there could be an adequate test of the House-passed plan, if the Senator from Utah and other Senators feel that in testing the Ribicoff proposal, that does not give—

Mr. BENNETT. The thing that worries me about limiting it to the Ribicoff proposal is that the Ribicoff proposal starts at a level above the Senate workfare program and it also puts in single people as well as married couples. I think the House should not be required to accept the sponsorship for the Ribicoff variation to H.R. 1.

I would hope, by the time he finishes his work on his amendment, the Senator will consider probably changing it so that the test can be made on the House-passed section of H.R. 1.

Mr. HARRY F. BYRD, JR. I shall be very glad to work with the distinguished ranking Republican member of the Finance Committee on this matter to see if we cannot work it out to the point where we can get a fair test on the principle involved in both the House-passed H.R. 1 and the Ribicoff plan.

Mr. BENNETT. I thank the Senator for that consideration. I shall be very happy to work with him.

#### DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1973

The PRESIDING OFFICER. Under the previous order, the Chair now lays before the Senate the Defense appropriation bill, which will be stated by title.

The legislative clerk read the bill by title, as follows:

A bill (H.R. 16593) making appropriations for the Department of Defense for the fiscal year ending June 30, 1973, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the



Committee on Appropriations with amendments.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, at the beginning of my remarks, I would like to say that, although I am a member of the subcommittee of the Appropriations Committee that handles this appropriation matter, I did not have an opportunity to attend the hearings on the bill earlier this year because of the political campaign in which I was engaged in my own State. Since returning to the Senate following that campaign, a change has occurred, under most regrettable circumstances, where it has become my responsibility now, as chairman of the full committee, and as chairman of the Subcommittee on Defense Appropriations, to handle this legislation and to make the presentation on behalf of the committee here on the floor of the Senate.

I make mention of this only to let the record reflect that I have not had the opportunity to read all the hearings or to be fully knowledgeable in presenting every facet of this measure in its best light and in the light that all the facts and circumstances warrant. Therefore, in handling the matter before both the subcommittee and the full Appropriations Committee, I ask the understanding, indulgence, and cooperation of the members. Some of the members of the subcommittee particularly are perhaps more familiar with the contents of this bill and possibly more able to defend some of its provisions than I am.

I can only say that if the responsibilities of handling this bill, which are now mine, should continue to be mine in the next session of the Congress, I will undertake to be fully prepared to make the presentation in support of the committee bill.

I would like to say further, Mr. President, since this is the first time that I have handled this Defense appropriation bill before the full committee and before the Senate, that I am confident that in this bill, and probably others that may be presented in the future, there will be funding requests that could be and should be rejected. I think we should all be cognizant of the fact that in an appropriation of some \$75 billion, which is the approximate amount of this bill, it is impossible for human ingenuity and capability to ferret out every item in which there may be excessive amounts requested and where the appropriations would permit waste or extravagance.

I think that would also apply, Mr. President, to the Defense Department. In undertaking to administer an appropriation that involves the expenditure of such huge sums, Defense officials must find it impossible to administer expenditures

of such magnitude without some errors in judgment and without some mistakes being made, regardless of the capability or ingenuity of the administrators.

But I would also like to state for the record, Mr. President, that in view of the fiscal situation of our Government and the burden of deficit spending that we have incurred, I have admonished Department of Defense officials, including the Secretaries of the three services, to make every effort to bring about a reduction in defense expenditures.

At the same time, I want this record to reflect without any reservation that I am not one of those who would support the unilateral disarmament of our country. On the contrary, I am one of those who advocate that we must never permit our country to become a second-rate power militarily. I think it is in the interest of world peace—in fact, it is imperative to the free world particularly—that our country maintain a military posture that will serve at all times as a deterrent to would-be aggressors who would impose their philosophy by force of arms.

But I do believe that, by working together, if the military will give in good faith its cooperation and be diligent in examining its expenditures to the end that we may ascertain where there are excess funds being appropriated and where, by practical administration, reductions can be made and savings effected, and if Congress will exercise the same diligence, we can find areas where we can bring about substantial reductions in military expenditures, and at the same time provide a military posture to act as a deterrent, as I have stated.

Mr. President, I feel this very strongly. In some areas, the Defense Department is being attacked and censured, possibly with justification in some instances. The American people are unanimous in their concern over mounting deficits brought on, in some instances by waste and extravagance. I want to emphasize that the Defense Department and all of its officials, along with Congress, have a duty to the American people to be more thorough in their examination of these expenditures and to be more diligent in making cuts. Savings must be realized wherever this can be done without jeopardizing the military posture that we must maintain.

Mr. President, the Committee on Appropriations, in reporting H.R. 16593, the Department of Defense Appropriation bill for fiscal year 1973, recommends appropriations of \$74,604,698,000.

This is an increase of \$27,150,000 over the amount allowed by the House and a reduction of \$4,989,486,000 below the revised budget estimate.

Parenthetically, Mr. President, after I conclude my remarks, and following the remarks that will, I am sure, be made by the distinguished Senator from North Dakota, the ranking minority member of the Appropriations Committee, I shall offer an amendment which will further reduce the amount in this bill to a point that will bring it below the House appro-

priation, but I will request that action at the proper time.

In accomplishing this very substantial reduction, the committee, through transfer authority, made use of \$1,315,900,000 in available funds previously appropriated.

The bill has suffered numerous time-consuming vicissitudes that have delayed its presentation. Early in the year, the late beloved chairman of this committee, the Honorable Allen J. Ellender of Louisiana, had set as his goal completion of action on the measure prior to the end of the fiscal year on June 30. Unfortunately, through no fault of his or the committee, this was impossible, for a variety of reasons. Since the original submission of the budget in January, three budget amendments have been submitted totaling \$4,472,605,000. The first two of these included requests for additional funds for increased pay costs, and certain procurement and research and development requirements. The third budget amendment—necessitating more hearings—was submitted on June 30 and was brought about by the strategic arms limitations agreements and increased activity in Southeast Asia. In addition, determination of authorization action was necessary prior to consummation of committee action. That measure was signed into law only this week. The House of Representatives completed action on the appropriation bill on September 14. Under these circumstances, I believe the committee has acted as expeditiously on this appropriation as is possible, and I am sure, Mr. President, that we have given it as careful and as thorough an examination as it should have. Particularly under pressure of time, the committee has done its best.

However, the committee's action on the largest single appropriation bill ever considered was not predicated on haste, as is illustrated by the record of hearings held by the committee. The Defense Subcommittee held a total of 46 separate sessions in its consideration of the bill. Hearings were begun on February 15 and were completed on September 19. These hearings, which are on the desks of Senators, contain 5,304 pages.

In taking the actions that it did, the committee predicated its decisions on two fundamental premises:

First, that Congress and the people of the United States demand military posture adequate to implement national policy, meet its commitments both here and abroad, and maintain a defense sufficient to deter any aggressor; and

Second, that Congress and the people of the United States require the Department of Defense to limit its requests and conduct its operations in a manner conducive to the greatest economy. This is most desirable at all times; it is essential in a period of increased demands for funds for other national requirements, of changing priorities and of inflationary pressures.

I believe that the committee has met this challenge and responded to it in the actions taken on this bill. Although the reductions recommended are very substantial, the committee believes that

they will in no way impair the necessary defense of the Nation or commitments abroad.

Many of the actions of the committee had previously been allowed by the House, which made a reduction of \$5,016,636,000 from the budget estimates.

It should be pointed out that, while the committee has made reductions in the budget estimates of \$4,989,486,000, the committee has also recommended transfers from previous appropriations of \$1,315,900,000, to that the total funding available to the Department of Defense as recommended by the commit-

tee is \$75,920,598,000. When the committee's recommendations are considered on the basis of "total availability," they are—

Under the budget requests by \$3,673,856,000, and

Over the House allowances by \$693,550,000.

The distribution of new obligational authority broken down by organization component is as follows:

For the Department of the Army, \$20,535,564,000;

For the Department of the Navy, \$24,444,225,000;

For the Department of the Air Force, \$23,409,324,000;

For Defense agencies, \$1,856,901,000; and

For retired military personnel, \$4,358,684,000.

A summary of the bill by major categories to which I have referred will be found on page 2 of the committee report, and I ask unanimous consent to have printed in the Record that part of the committee report.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

## SUMMARY OF BILL BY MAJOR CATEGORIES

Functional title	Appropriation fiscal year 1972 (new obligational authority)	Budget estimate fiscal year 1973 (new obligational authority)	House allowance	Senate committee recommendation	Senate committee bill compared with—		
					Appropriations, 1972	Budget esti- mates, 1973	House allowance
Title I—Military personnel	\$22,964,100,000	\$23,658,559,000	\$23,081,821,000	\$23,145,963,000	+ \$181,863,000	— \$512,596,000	+ \$64,142,000
Title II—Retired military personnel	3,921,446,000	4,358,684,000	4,358,684,000	4,358,684,000	+437,238,000		
Title III—Operation and maintenance	20,553,925,000	21,634,944,000	21,001,245,000	21,138,663,000	+584,738,000	—496,281,000	+137,418,000
Transfer from other accounts			(200,000,000)	(200,000,000)	(+200,000,000)	(+200,000,000)	
Title IV—Procurement	17,776,892,000	21,169,830,000	18,388,470,000	17,814,970,000	+38,078,000	—3,354,860,000	—523,500,000
Transfer from other accounts	(843,700,000)		(389,500,000)	(1,055,900,000)	(+212,200,000)	(+1,055,900,000)	(+666,400,000)
Title V—Research, development test, and evaluation	7,519,062,000	8,768,767,000	7,793,928,000	8,105,568,000	+486,506,000	—763,199,000	+211,640,000
Transfer from other accounts	(101,900,000)		(60,000,000)	(60,000,000)	(+41,900,000)	(+60,000,000)	
Transfer authority	(50,000,000)	(50,000,000)			(—50,000,000)	(—50,000,000)	
Title VI—Special foreign currency program	12,000,000	3,400,000	3,400,000	3,400,000	—8,600,000		
Title VII—General Provisions (Additional transfer authority, sec. 735)	(750,000,000)	(1,000,000,000)	(750,000,000)	(850,000,000)	(+100,000,000)	(—150,000,000)	(+100,000,000)
Title VIII—Antiballistic missile construction	109,570,000				—109,570,000		
Total, Department of Defense (NOA)	72,856,995,000	79,594,184,000	74,577,548,000	74,467,248,000	+1,610,253,000	—5,126,936,000	—110,300,000
Transfer from other accounts	(945,600,000)		(649,500,000)	(1,315,900,000)	(+370,300,000)	(+1,315,900,000)	(+566,400,000)
Total funding available	73,802,595,000	79,594,184,000	75,227,048,000	75,783,148,000	+1,980,553,000	—3,811,036,000	+556,100,000
Transfer authority	(800,000,000)	(1,050,000,000)	(750,000,000)	(850,000,000)	(+50,000,000)	(—200,000,000)	(+100,000,000)
Distribution by organizational component:							
Army	121,039,789,000	22,027,213,000	20,461,434,000	20,440,564,000	—599,225,000	—1,586,649,000	—20,870,000
Transfer from other accounts	(351,900,000)		(283,600,000)	(441,000,000)	(+89,100,000)	(+441,000,000)	(+157,400,000)
Navy	23,176,145,000	26,154,554,000	24,459,587,000	24,413,375,000	+1,237,230,000	—1,741,179,000	—46,212,000
Transfer from other accounts	(260,000,000)		(125,000,000)	(316,000,000)	(+55,000,000)	(+316,000,000)	(+191,000,000)
Air Force	22,882,597,000	25,043,601,000	23,451,342,000	23,407,724,000	+525,127,000	—1,635,877,000	—43,618,000
Transfer from other accounts	(323,700,000)		(233,200,000)	(551,200,000)	(+227,500,000)	(+551,200,000)	(+318,000,000)
Defense agencies, OSD	1,837,018,000	2,010,132,000	1,846,501,000	1,846,901,000	—9,883,000	—163,231,000	+400,000
Transfer from other accounts	(10,000,000)		(7,700,000)	(7,700,000)	(—2,300,000)	(+7,700,000)	
Retired military personnel	3,921,446,000	4,358,684,000	4,358,684,000	4,358,684,000	+437,238,000		
Total, Department of Defense (NOA)	72,856,995,000	79,594,184,000	74,577,548,000	74,467,248,000	+1,610,253,000	—5,126,936,000	—110,300,000
Transfer from other accounts	(945,600,000)		(649,500,000)	(1,315,900,000)	(+370,300,000)	(+1,315,900,000)	(+566,400,000)
Total funding available	73,802,595,000	79,594,184,000	75,227,048,000	75,783,148,000	+1,980,553,000	—3,811,036,000	+556,100,000
Transfer authority	(800,000,000)	(1,050,000,000)	(750,000,000)	(850,000,000)	(+50,000,000)	(—200,000,000)	(+100,000,000)

\* Includes \$98,500,000 for military construction, Army, under title VIII—Antiballistic missile construction.

\* Includes \$11,070,000 for family housing, Defense, under title VIII—Antiballistic missile construction.

Mr. McCLELLAN. Mr. President, the funds recommended will provide for an authorized active duty military personnel end strength for the Army of 828,900; for the Navy, 601,672; for the Marine Corps, 197,965; and for the Air Force, 700,516—for a total of 2,329,053. Details of this, as well as comparable figures for the Reserve components, will be found on page 6 at the committee report.

It would prove to be a monumental task presuming on the patience of the Senate to detail fully all actions taken by the committee. Each of these is discussed in the report before Senators, either in the section devoted to each appropriation or, for the most important or controversial items, in a special section near the beginning of the report. Ready reference is provided in the table of contents on page 3 of the report.

Instead of attempting to discuss each of these actions, I shall describe some of the more important actions taken by

the committee and be available for questions on any item at the conclusion of my remarks.

## DEPARTMENT OF THE ARMY

In providing funds for an active duty Army end strength of 828,900, the committee's action supports an active Army of one TRICAP division, composed of armored, air cavalry, and airmobile units; one airborne division; three infantry divisions; four mechanized divisions; three armored divisions; one airmobile division; and one independent brigade. Funds are also provided for an Army Reserve with an authorized average strength of 261,300 and an Army National Guard of 402,333.

Mr. President, I ask unanimous consent that a tabulation for fiscal years 1971, 1972, and 1973 of the major active forces of the Army be printed in the Record at this point.

There being no objection, the tabulation was ordered to be printed in the Record, as follows:

## MAJOR ARMY FORCES

	Planned <sup>1</sup>		
	Actual, June 30, 1971	June 30, 1972	June 30, 1973
Divisions:			
TRICAP <sup>2</sup>	1	1	1
Airborne	1	1	1
Infantry	3	3	3
Mechanized	4	4	4
Armored	3	3	3
Airmobile	1	1	1
Total	13	13	13
Independent brigades	2	0	1
Active duty military personnel	1,123,382	861,228	841,190
Reserve component personnel (paid drill training)	665,474	658,455	664,955
Army National Guard	402,175	398,455	402,455
Army reserve	263,299	250,000	262,500

<sup>1</sup> Reflects the President's fiscal year 1973 budget.

<sup>2</sup> The TRICAP (TRiple CAPability) is an experimental division consisting of armored, air cavalry, and airmobile units.



Mr. McCLELLAN. Mr. President, one of the major changes made in the bill in regard to the Army is that related to the reduction in the Safeguard antiballistic missile system. The original budget requested \$1,595,400,000 for this system. As a result of the Strategic Arms Limitation agreements, a budget amendment was submitted reducing this total to \$890.4 million in new obligational authority and \$60 million in prior years' funds for continued development and deployment at Grand Forks, N. Dak., and for the National Command Authority at the Washington, D.C., site. The authorization act limited the continuation or initiation of the antiballistic missile system to the Grand Forks site, and the committee's action in reducing the request by \$250.3 million is based on the authorization action. Funds recommended herein are solely for the continued development of the Grand Forks site.

Mr. President, I ask unanimous consent that material on pages 19 and 20 of the committee report, describing the actions taken, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### SAFEGUARD ANTIBALLISTIC MISSILE SYSTEM

The recommendations of the Committee include \$640.1 million for the continuation of the development and deployment of the Safeguard ABM system at the Grand Forks, North Dakota, site.

The original budget included \$1,595.4 million (exclusive of family housing), for the Safeguard system for the continuation of development, continuation of deployment at the Grand Forks, North Dakota, and Malmstrom, Montana, sites, initiation of deployment at the Whiteman, Missouri, and Warren, Wyoming, sites, and advance preparation for the defense of the National Command Authority at Washington, D.C.

On June 10, 1972, the President submitted to the Senate the treaty between the United States and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems which was ratified by the Senate on August 3, 1972. Under the terms of this Treaty, each country is limited to two widely separated deployment areas—one for the defense of the national capital and the other for the defense of ICBMs.

The June 30 amendment to the budget (H. Doc. 92-321) included decreases in the funds requested for the Safeguard system totaling \$705 million for a revised total request for new obligational authority of \$890.4 million. This amendment also proposed the use of \$60 million of prior year funds for the fiscal year 1973 research and development program.

The revised program of \$950.4 million (\$890.4 million in new obligational authority and the use of prior year funds in the amount of \$60 million) included \$644.8 million for the continuation of development and deployment at the Grand Forks, North Dakota, site and \$245.6 million for the National Command Authority (Washington, D.C.) site.

In acting on the Department of Defense Procurement and Research and Development Authorization Act ( ), the Congress has limited deployment of the Safeguard ABM system to the Grand Forks, North Dakota, site. Section 502(a) of this Act provides:

Sec. 502. (a) None of the funds authorized by this or any other Act may be obligated or expended for the purpose of continuing or initiating deployment of an anti-ballistic missile system at any site except Grand Forks Air Force Base, Grand Forks, North Dakota.

Nothing in this section shall be construed as a limitation on the obligation or expenditure of funds in connection with the dismantling of anti-ballistic missile system sites or the cancellation of work at Whiteman Air Force Base, Knob Noster, Missouri, Francis E. Warren Air Force Base, Cheyenne, Wyoming, and Malmstrom Air Force Base, Great Falls, Montana.

The recommendations of the Committee are in accord with, and subject to, the above cited provision.

The funds recommended by the Committee are included in the following appropriations:

Military personnel, Army-----	\$14,300,000
Operation and maintenance, Army-----	70,270,000
Missile procurement, Army-----	300,000,000
Research, development, test and evaluation, Army-----	125,500,000
<b>Total -----</b>	<b>1,640,070,000</b>

<sup>1</sup> In addition, \$60,000,000 is to be derived by transfer from other accounts.

The current estimate of the Department of Defense acquisition cost (research and development, procurement, and construction) of the one site (Grand Forks, North Dakota) deployment approved by Congress is \$5.6 billion, and it is estimated that the cost of the simplest deployment at the National Command Authority (Washington, D.C.) site would require an additional \$2.1 billion. A comparable estimate for the originally planned twelve site deployment is \$16.3 billion.

Mr. McCLELLAN. Mr. President, in the military personnel account, the House made a reduction of \$219.6 million in a large number of items. The committee, while believing that \$175 million of this reduction can be absorbed within the Army program, felt that, in view of the substantial nature of the reductions made, certain flexibility should be afforded to the Department in allocation of the reductions made. For this reason, it has approved the reduction, but made it a general reduction to be absorbed in areas prescribed by the Department. Similar reductions made by the House in the military personnel accounts of the other services have been treated in like manner.

In another action, the House provided a new appropriation title for operation and maintenance activities of the Army Reserve, which had previously been funded under the Regular Army operation and maintenance appropriation. The House took similar action in regard to the other services. The Department of Defense appealed the action of the House and the committee has returned the appropriations to the parent organization.

In other actions associated with the Army programs, the committee has agreed with the action of the House in deleting funds for the continued development of the Cheyenne armed-attack helicopter but has provided \$29.5 million for the initiation of research and development on a new attack helicopter; reduced the funding for the heavy lift helicopter program while approving the current Army development program; and provided \$3.6 million for the continued production line for the M-16A1 rifle.

#### DEPARTMENT OF THE NAVY

The Department of the Navy program provides for funds to maintain a Navy end strength of 601,672 active duty military personnel and a Marine Corps end

strength of 197,965. The authorized average strength for the Naval Reserve is fixed at 129,000 and for the Marine Corps at 45,016. Major Navy forces included for fiscal year 1973 are 594 commissioned ships in the active fleet, of which 368 are warships.

Mr. President, I ask unanimous consent that a tabulation for fiscal years 1971, 1972, and 1973 of the major active forces of the Navy and Marine Corps be printed in the RECORD at this point.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

#### SUMMARY OF MAJOR NAVY FORCES

	Actual		Planned June 30, 1973
	June 30, 1971	June 30, 1972	
Commissioned ships in active fleet-----	702	654	594
Warships-----	402	393	368
Other-----	300	251	226
Submarine launched ballistic missile launchers-----	656	656	656
Attack and ASW support carriers-----	18	17	16
ASW and air defense escort ships-----	224	225	207
Naval gunfire support ships-----	1	1	1
Amphibious assault ships-----	79	77	65
Aircraft inventory (active)-----	7,318	7,115	6,954
Tactical aircraft (Navy and Marine Corps)-----	2,379	2,388	2,436
ASW aircraft (fixed and rotary wing)-----	756	795	788
Active duty military personnel Navy-----	623,023	602,196	601,672
Reserve components personnel (paid drill training): Naval Reserve-----	133,236	134,393	138,976

#### MAJOR MARINE CORPS FORCES

	Actual		Planned June 30, 1973
	June 30, 1971	June 30, 1972	
Marine divisions (active)-----	3	3	3
Marine aircraft wings (active)-----	3	3	3
Active duty military personnel-----	212,359	198,406	197,965
Reserve components personnel-----	43,016	41,241	44,903

Mr. McCLELLAN. Mr. President, one of the actions taken by the committee on the Navy program was the inclusion of \$299 million for advance procurement for the CVN-70, the third nuclear powered aircraft carrier of the *Nimitz* class. This is consonant with previous action taken by the Senate in its consideration of the authorization bill.

Mr. President, I ask unanimous consent that material from pages 21 and 22 of the committee report, describing the action taken, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### NUCLEAR AIRCRAFT CARRIER—CVN-70

The committee's recommendation for the appropriation "Shipbuilding and Conversion, Navy" includes \$299 million for advance procurement for the CVN-70, the third nuclear-powered aircraft carrier of the *Nimitz* class. The current estimated cost of this ship is \$951 million, and the current plan calls for full funding in fiscal year 1974.

This ship will be identical with the *Nimitz* except for minor changes necessary to accommodate the latest model aircraft flying

when the ship joins the fleet. It will be 1,092 feet long, its beam at the water line will be 134 feet, with a flight deck width of 252 feet, and a displacement of 94,400 tons. It will be powered by a two-reactor nuclear propulsion system which has a 13-year core (fuel) life. The ship's crew will total approximately 2,829, and the air wing personnel will total approximately 2,500. It will have the capability of carrying 90-100 of the latest carrier aircraft. The current schedule calls for the laying of the keel in calendar year 1975, delivery of the completed ship during calendar year 1980, and joining the fleet to replace one of the World War II carriers in calendar year 1981.

The first two carriers of this class, the *Nimitz* (CVAN-68) and the *Eisenhower* (CVAN-69) are under construction and will be delivered in calendar years 1973 and 1975.

In recommending funds for this new carrier, it is the intent of the committee to modernize our existing carrier force rather than to increase the size of this force. When this ship joins the fleet in 1980, only five carriers will be less than 15 years old and only three will be less than 10 years old. The carriers of the *Nimitz* class and the nuclear-powered *Enterprise* will give the Navy the capability of stationing two nuclear carriers in the Atlantic and two nuclear carriers in the Pacific for rapid response wherever needed.

During the Senate's consideration of the Department of Defense Procurement and Research and Development Authorization Act, 1973 (H.R. 15495), an amendment to delete the authorization for the \$299 million for the advance procurement for the CVAN-70 was rejected by a vote of 29 yeas to 60 nays.

Mr. McCLELLAN. Mr. President, in another action, the committee recommends the inclusion of \$247 million for advance procurement in connection with the construction of seven additional *Spruance* class destroyers for which \$610 million had been requested. It was the view of the committee that the current status of this program and that of the LHA ship program dictates a rescheduling of the funding for the 30 ships covered under the existing DD-963 contract, and the report so states. In taking the position it has, the committee intended to provide the funds necessary to protect the Government's position with respect to the seven ships, but wishes to make it clearly understood that the appropriation of these funds does not constitute a commitment for the full funding of these seven additional ships.

Mr. President, I ask unanimous consent that report language bearing on this action be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

**"SPRUANCE" CLASS DESTROYERS—DD-963**

The President's budget for fiscal year 1973 includes a request of \$610 million for the construction of seven additional *Spruance* class (DD-963) destroyers. These seven destroyers are a portion of the total of 30 such destroyers to be constructed under the terms of a multiyear contract with Litton Industries (Ingalls Shipbuilding Division, Pascagoula, Miss.). During the period fiscal year 1970 through fiscal year 1972, \$1,410.1 million has been provided for the first 16 of these 30 ships. However, under the terms of the contract, the first of these 16 ships will not be delivered until early in fiscal year 1975.

The committee recommends concurrence

in the House allowance of \$247 million—a reduction of \$363 million in the budget request—for the DD-963 program. The total recommended is for advance procurement to support the construction of seven additional DD-963's when, and if, these seven additional ships are fully funded. It is the view of the committee that the current status of this program and the LHA ship program dictates a rescheduling of the funding for the 30 ships covered under the existing DD-963 contract. The committee has been advised that the contractor has agreed to extend the date for exercising the option for ships numbers 17 through 23 from January 15, 1973, to January 15, 1974. Therefore, the recommended action does not endanger the Government's rights under the existing contract.

In summary: It is the intent of the committee to provide \$247 million for the procurement of long lead-time equipment to support the construction of seven additional DD-963 destroyers. However, these funds do not constitute a commitment for the full funding of these seven additional ships. Furthermore, it is the intent of the committee to provide the funds necessary to protect the Government's position with respect to these seven additional ships under the terms of the existing contract and the extended option date of January 15, 1974.

The committee's recommended action is in accord with the provisions and intent of the Department of Defense Procurement and Research and Development Authorization Act (Public Law 92-436).

The mission of these new destroyers is to operate offensively in the presence of an air, surface or subsurface threat with strike, antisubmarine or amphibious forces; to provide protection to these forces, underway replenishment groups and military or mercantile convoys against surface or subsurface threats; and to provide gunfire support to amphibious assaults or land campaigns. These ships will have a displacement of 7,080 tons, and will be 560 feet long with a beam of 54 feet. They will be equipped with a gas turbine propulsion system and will have a speed of 30 knots. Armament will consist of two 5-inch guns, Sparrow missiles configured for air-defense, standard and rocket assisted projectiles, and antisubmarine torpedoes and rocket facilities for an on-board helicopter. These new destroyers will have an electronic warfare capability and be equipped with air search radar, surface search radar, fire control radar, and long-range sonar. The crew will consist of about 270 officers and men.

Mr. McCLELLAN. Mr. President, in another action, the committee recommends \$807.9 million of the \$952.9 million requested in this bill for the Trident submarine launched missile system, formerly called ULMS, and a follow-on of the older Polaris/Poseidon missile systems. Among other things, the funds will continue the development of the Trident missile and weapons subsystems, provide for the submarine design and advance procurement for long leadtime components for the first four submarines, and provide funds for the Trident operational and integrated supply systems.

Mr. President, I ask unanimous consent that material on pages 23 and 24 of the committee report be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

**TRIDENT SUBMARINE LAUNCHED MISSILE SYSTEM (FORMERLY ULMS)**

The fiscal year 1973 budget includes requests totaling \$980.2 million for the accel-

ation of development and deployment of the Trident submarine launched missile system, formerly referred to as ULMS (undersea long range missile system). This total includes \$27.3 million for construction that will be considered in the Military Construction Appropriation Act.

The recommendations of the committee include \$807,900,000 for this program, a reduction of \$145,000,000 in the requests considered totaling \$952,900,000. The requests considered and funds recommended are set out in the following tabulation:

(Dollars in thousands)

Appropriation	Budget request	Committee recommendation
Operation and maintenance, Navy.....	\$3,000	\$3,000
Procurement of aircraft and missiles, Navy.....	10,000	None
Shipbuilding and conversion, Navy.....	361,000	311,000
Other procurement, Navy.....	23,500	23,500
Research, development, test and evaluation, Navy.....	555,400	470,400
Total.....	952,900	807,900

The recommended funds are for the following purposes:

**Operation and maintenance, \$3,000,000.**—These funds are for the operational system planning required for the study and design of an integrated supply system capable of providing total support to the Trident system.

**Shipbuilding and conversion, Navy \$311,000,000.**—These funds for the design of the submarine and advance procurement of critical long lead components for the lead submarine and the first three follow-on submarines. The major items that will be procured are three full and one partial sets of nuclear propulsion plant components, with attendant construction spares and steel and long lead electronics for the lead ship.

**Other procurement; Navy, \$23,500,000.**—These funds are for the initiation of the procurement of the long lead time equipment of shipboard type training items for incorporation in an Atomic Energy Commission Trident prototype nuclear propulsion plant.

**Research, development, test and evaluation, Navy, \$470,400,000.**—These funds are for the continuation of the development of the Trident I missile and associated equipment, the Trident submarine, and the various Trident weapon systems subsystems.

The Trident submarine launched missile system is a follow-on to the existing Polaris/Poseidon system, which is the Navy's portion of our strategic deterrent force.

The Trident system consists of two major subsystems: the submarine and the missile. Both will utilize the latest advances in technology and be designed to increase employment flexibility, significantly reduce vulnerability of the submarine, enhance survivability of payload, and greatly expand the area of deployment.

The Trident submarine, which is planned to become operational in 1979, will be nuclear powered, capable of carrying 24 missiles, and substantially larger and more capable than the Polaris/Poseidon submarines. Initially, these submarines will be deployed with the Trident I missile, but will have the capability to carry the larger and longer range Trident II missile.

The Trident I missile, which is scheduled to be operational in 1977, will have a range of about 4,000 miles with a payload and accuracy equivalent to the existing Poseidon missile. This missile will be capable of being deployed in the existing Poseidon submarines. The Trident II missile will be developed in later years and will have an extended range and overall improved capabilities.



Mr. McCLELLAN. Also included in the bill is a total of \$732.7 million for the Navy's F-14A Tomcat fighter aircraft program. The procurement funds included in this total are for the implementation of the terms of the existing contract between the Navy and the prime airframe contractor. The committee expects the Department to exercise the production option to purchase 48 aircraft in accord with the terms of the contract. This action by the committee is in line with action taken in the authorizing legislation.

Mr. President, I ask unanimous consent that the information relative to this contained on pages 24 and 25 of the committee report be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### F-14 AIRCRAFT PROGRAM

The recommendations of the Committee include approximately \$732.7 million for the Navy's F-14A Tomcat fighter aircraft program. The recommended funds are for the following purposes:

**Procurement of aircraft, \$407.8 million.**—\$407.8 million is recommended for the procurement of F-14 aircraft. The recommended sum and \$84.8 million will provide a total of \$492.6 million for the procurement of 48 F-14A aircraft under the terms of existing contracts.

**Advance procurement, \$75.7 million.**—\$75.7 million is recommended for advance procurement to support the planned procurement of F-14 aircraft in fiscal year 1974.

**Spares and repair parts, \$86.6 million.**—\$86.6 million is recommended for the procurement of initial spares and repair parts for the support of F-14A aircraft.

**F-14A development program, \$58 million.**—\$58 million is recommended for the continuation of the F-14A development and testing program.

**F-14B development program, \$104.6 million.**—\$104.6 million is recommended for the continuation of the Navy's participation in the development of the advanced technology engine. Funds are also included for the development of the changes in the F-14 airframe which will be required if a decision is made to produce the F-14B versions of this aircraft.

It is the intent of the Committee that the funds recommended for the Procurement of the F-14 shall be used to implement the terms of the existing contract between the Navy and the primary airframe contractor. This contract includes a production option for 48 aircraft (Lot V), and the Committee expects the Navy to exercise this option in accordance with the terms of the contract. The Committee's recommendation is in accordance with the following provision included in the Department of Defense Procurement and Research and Development Authorization Act, 1973 (Public Law 92-436):

"\* \* \*, of which not to exceed \$570,100,000 shall be available for an F-14 aircraft program of not less than 48 aircraft subject to (1) not increasing the ceiling price for the lot V option in the F-14 contract between the Navy and the primary airframe contractor except in accordance with the terms of such contract, including the clause providing for normal technical changes; and (2) the Navy exercising the option for lot V on or before October 1, 1972, or any subsequent date prior to December 31, 1972, as may be mutually agreed upon between the Navy and the contractor without additional cost to the government and within the present contract terms and conditions: *Provided*, That

in the event the Secretary of Defense determines that any condition prescribed in clause (1) or (2) cannot be met, he shall report such fact to the Congress within 90 days after such determination together with his recommendations regarding the future of the F-14 program; \* \* \*

Mr. McCLELLAN. Mr. President, in other actions associated with Navy programs, the committee has recommended that \$75 million of a House reduction of \$121,668,000 in specific programs in the military personnel account be approved, but that the \$46,668,000 restored be considered a general increase in order to give the Navy, as with the other services, greater flexibility in distribution of the reductions imposed.

The committee has also recommended that the appropriation for operation and maintenance of the Naval Reserve and the Marine Corps Reserve be returned to the parent appropriations in action similar to that taken in regard to the Army Reserve.

Substantial reductions made by the House in aircraft and missile programs have been concurred in by the committee. These include the requests for LC-130 aircraft associated with the Deepfreeze operations, and funds for Standard, Phoenix, Bulldog, and Sidewinder missile systems. Full or partial restoration of House reductions were made in programs associated with the Viking ASW aircraft, the Sparrow missile, and the P-3C antisubmarine warfare patrol aircraft.

In the area of shipbuilding and conversion, the committee recommends that the conversion of one of two guided missile frigates be funded and that funding of \$10 million in the procurement appropriation for the sea control ship be deferred but that a like amount be provided for research and development for this ship. In a similar action, the committee recommends approval of House action deleting \$60.4 million for the PHM patrol hydrofoil missile ship in the procurement account and has provided \$30.4 million for further research and development. In one other action, the committee recommends the full authorization of \$10 million for the initiation of development of a new strategic, long-range, submarine-launched cruise missile.

#### DEPARTMENT OF THE AIR FORCE

Mr. President, funds recommended for the Department of the Air Force will provide for an active duty military personnel end strength of 700,516. In addition, provision is made for an authorized average strength for the Air Force Reserve of 51,296 and for the Air National Guard of 87,614.

Planned forces for the Air Force for fiscal year 1973 include 72 tactical and attack squadrons, seven air defense interceptor squadrons, 30 strategic bomber squadrons, 1,054 ICBM launchers and 34 airlift squadrons. The active aircraft inventory is comprised of 10,932 aircraft.

Mr. President, I ask unanimous consent to have printed in the RECORD a tabulation from the report detailing these forces for fiscal years 1971, 1972, and 1973.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

#### MAJOR AIR FORCE FORCES

	Actual, June 30, 1971	Planned <sup>1</sup>	
		June 30, 1972	June 30, 1973
USAF tactical fighter and attack squadrons (includes overseas interceptors and tactical bombers).....	75	74	72
USAF air defense interceptor squadrons.....	11	9	7
Strategic bomber squadrons.....	33	30	30
ICBM launchers.....	1,054	1,054	1,054
USAF airlift squadrons.....	45	35	34
Aircraft inventory—Active.....	12,932	11,612	10,932
Active duty military personnel.....	755,107	730,352	717,210
Reserve components personnel (paid drill training).....	(135,869)	(139,180)	(142,687)
Air National Guard.....	85,839	88,986	88,876
Air Force Reserve.....	50,120	50,194	53,811

<sup>1</sup> Reflects the President's fiscal year 1973 budget.

Mr. McCLELLAN. Mr. President, I shall now highlight a few of the more important items in the Air Force request.

In regard to the C-5A strategic transport aircraft, the committee has included \$107.6 million to partially cover prior year deficiencies in the 76 production aircraft funded in prior years. The funds recommended by the committee are subject to the restrictions and limitations imposed by the authorizing legislation contained in the Department of Defense Procurement and Research and Development Authorization Act (Public Law 92-436).

Mr. President, I ask unanimous consent that the information from the committee report on this subject be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### C-5A STRATEGIC TRANSPORT AIRCRAFT

The committee's recommendation for the appropriation "Aircraft Procurement, Air Force" includes \$107.6 million to partially cover prior year deficiencies in the 76 production C-5A aircraft funded in prior years. The recommended funds are subject to the restrictions and limitations imposed in Section 603 of the Department of Defense Procurement and Research and Development Authorization Act (Public Law 92-436), which reads as follows:

"SEC. 603. (a) The amount of \$107,600,000 authorized to be appropriated by this Act for the development and procurement of the C-5A aircraft may be expended only for the reasonable and allocable direct and indirect costs incurred by the prime airframe contractor under a contract entered into with the United States to carry out the C-5A aircraft program. No part of such amount may be used for—

"(1) direct costs of any other contract or activity of the prime contractor;

"(2) profit on any materials, supplies, or services which are sold or transferred between any division, subsidiary, or affiliate of the prime contractor under the common control of the prime contractor and such division, subsidiary, or affiliate;

"(3) bid and proposal costs, independent research and development costs, and the cost of other similar unsponsored technical effort; or

"(4) depreciation and amortization costs in excess of \$4,400,000 on property, plant, or equipment.

Any of the costs referred to in the preceding sentence which would otherwise be allocable to any work funded by such \$107,600,000 may

not be allocated to other portions of the C-5A aircraft contract or to any other contract with the United States, but payments to C-5A aircraft subcontractors shall not be subject to the restriction referred to in such

"(b) Any payments from such \$107,600,000 shall be made to the prime contractor through a special bank account from which such contractor may withdraw funds only after a request containing a detailed justification of the amount requested has been submitted to and approved by the contracting officer for the United States. All payments made from such special bank account shall be audited by the Defense Contract Audit Agency of the Department of Defense and, on a quarterly basis, by the General Accounting Office. The Comptroller General shall submit to the Congress not more than thirty days after the close of each quarter a report on the audit for such quarter performed by the General Accounting Office pursuant to this subsection.

"(c) The restrictions and controls provided for in this section with respect to the \$107,600,000 referred to in subsections (a) and (b) of this section shall be in addition to such other restrictions and controls as may be prescribed by the Secretary of Defense or the Secretary of the Air Force."

The C-5A is the largest aircraft ever built and has a basic mission payload of 100,000 pounds for a 5,560 nautical mile mission, a maximum speed of 470 knots, a ceiling of 43,500 feet and a ferry range of 7,200 miles. The current plan calls for the procurement of 81 of these aircraft, including the 5 test aircraft. The current estimated acquisition cost of this 81-aircraft program is approximately \$4,540 million, of which approximately \$4,332 million has been made available through fiscal year 1972.

Mr. McCLELLAN. Mr. President, for the E-3A early warning and control system, the committee has included \$233 million of the budgeted \$469.9 million for the continuation of the development for the system, including incremental funding for three preproduction aircraft.

Mr. President, I ask unanimous consent that pertinent information from the committee report on the E-3A aircraft be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### E-3A AIRBORNE WARNING AND CONTROL SYSTEM AIRCRAFT

The recommendation of the Committee for the appropriation "Research, Development, Test, and Evaluation, Air Force" includes \$233 million (an increase of \$73 million) for the continuation of the development (including incremental funding for three pre-production aircraft) for the E-3A (AWACS) aircraft system. The budget included \$469.9 million for this program, of which sum \$309.9 million was requested in the appropriation "Aircraft Procurement, Air Force" for three pre-production aircraft and \$160 million in the appropriation "Research, Development, Test, and Evaluation, Air Force" for the continuation of the development of the system. Therefore, the total recommended is a reduction of \$236.9 million in the total budget request.

The funds recommended are for the following purposes:

*Continuation of development, \$150 million.*—These funds will provide for the continuation and flight testing of the radar, the avionics system, and the overall Systems Integration Demonstration.

*Incremental funding of three pre-production aircraft, \$83,000,000.*—These funds will provide the fiscal year 1973 requirement for the incremental funding of three pre-production aircraft required for the demonstration of all systems objectives, including

training adequacy and logistic support aspects, as well as airborne operational effectiveness and operational suitability.

Attention is called to the fact that the increase in the "Research, Development, Test, and Evaluation, Air Force" appropriation for the incremental funding of the three pre-production aircraft is more than off-set by the reduction resulting from the disallowance of the \$309.9 million requested in the "Aircraft Procurement, Air Force" appropriation for the full-funding of the three pre-production aircraft.

The E-3A AWACS aircraft system will be an airborne surveillance, command, control and communications system for use by tactical and defensive forces. This aircraft, a modified Boeing 707, will be used for both defensive and tactical operations. Interchangeability in missions will be accommodated with a change of central processor software and with plug-in/plug-out electronics equipment. The system will be capable of detecting and tracking low flying aircraft targets in the presence of ground clutter, detecting bomber aircraft and tactical aircraft at extended ranges, tracking multiple aircraft targets, 7 to 9 hours on station time at 1,000 nautical miles from its base, and active interrogation of aircraft.

Mr. McCLELLAN. Mr. President, in another action, the committee has included \$910.4 million for the continued development and initiation of production for the F-15 air superiority fighter.

Mr. President, I ask unanimous consent that the details on this program as contained in the committee report be printed in the RECORD.

There being no objection the excerpt was ordered to be printed in the RECORD, as follow:

#### F-15 AIR SUPERIORITY FIGHTER

The recommendations of the Committee include \$910.4 million for the continuation of development and initiation of production of the Air Force's F-15 air superiority fighter. The recommended funds are for the following purposes.

*Procurement of aircraft.*—\$421.6 million is recommended for the initial procurement of 30 F-15 aircraft, of which 7 are TF-15 two-seat training aircraft.

*Spares and repair parts.*—\$34.4 million is recommended for the procurement of spares and repair parts to support the initial production of 30 F-15 aircraft.

*Continuation of development and testing.*—\$454.5 million is recommended for the continuation of the development and testing of the F-15 aircraft.

The F-15 is a twin-engine, single-crew, swept-wing advanced tactical fighter being developed for the air superiority mission. It is characterized by a high thrust-to-weight ratio and low wing loading for maximum maneuverability. It is designed to counter a series of new Soviet fighter aircraft which will have counterair capability superior to our F-4E aircraft. The F-15 will replace the F-4 as the Air Force's primary air superiority aircraft in the mid-seventies. The manufacturer is the McDonnell-Douglas Corporation, and the engines are made by the Pratt and Whitney Division of United Aircraft Corporation.

Mr. McCLELLAN. Mr. President, it is planned that the B-1 strategic bomber will ultimately replace the aging B-52's. The committee has recommended the inclusion of \$444.5 million for its continued development.

Mr. President, I ask unanimous consent that material from the report of the committee dealing with the B-1 bomber be printed in the RECORD.

There being no objection, the excerpt

was ordered to be printed in the RECORD, as follows:

#### B-1 BOMBER

The committee's recommendation for the appropriation "Research, Development, Test, and Evaluation, Air Force" includes \$444.5 million for the continuation of the development of the B-1 strategic bomber aircraft. The B-1 will replace the B-52 bombers, the last of which were funded in fiscal year 1961. The military requirement for this new bomber is based on the concept of maintaining a mixed force of bombers and missiles in order, to assure our strategic deterrent capability.

The current estimated cost of this development program, which includes three flight test aircraft and one structural fatigue test airframe, is \$2,618.3. Through fiscal year 1972, \$689.3 million has been made available.

*Advanced airborne national command post aircraft (AANCP).*—The budget included requests totaling \$249,600,000 for the Advanced Airborne National Command Post aircraft (AANCP), of which \$217,600,000 was for the procurement of six Boeing 747 aircraft to be configured for this mission and \$32,000,000 was for the development of the new electronics and communications equipment for installation in these aircraft. The specially configured aircraft will provide the National Command Authorities with an airborne command post system with significantly greater physical size, endurance, flexibility, and nuclear war command and control capability than the current EC-135 aircraft. This system will significantly improve our capability to control and direct our strategic forces during a nuclear conflict. The total planned program of seven aircraft includes three aircraft for the National Airborne Command Post mission, three aircraft for the support of the Strategic Air Command, and one standby aircraft. The current total estimated acquisition cost (procurement and research and development) for this program is \$397.4 million.

The Department of Defense Procurement and Research and Development Authorization Act, 1973 (Public Law 92-436) is based on \$127,000,000 for the procurement of four of these aircraft and \$32,000,000 for research and development.

The House bill includes \$28,700,000 for the procurement of one "test-bed" aircraft and \$24,500,000 for the research and development program, for a total of \$53,200,000, all of which was included in the "Research Development, Test, and Evaluation, Air Force" appropriation.

The committee recommends the allowance of \$127,000,000 in the appropriation "Aircraft Procurement, Air Force" for the procurement of four aircraft, as provided for in the Authorization Act, and \$24,500,000 in the appropriation "Research, Development, Test, and Evaluation" appropriation for the development of the electronics and communications equipment.

Mr. McCLELLAN. Mr. President, actions taken in regard to the distribution of reductions for the other services in the military personnel accounts are also applicable to the Air Force. And, as previously indicated, funding for the Air Force Reserve has been returned to the parent appropriation.

#### CIVILIANIZATION OF KP

Mr. President, among the items that have elicited general interest is the request for \$92,950,000 for civilianization of the kitchen police function in the services. The objective of this program is to eliminate all KP duties for enlisted personnel at all posts, camps, and stations on a worldwide basis, except those at basic training installations. When fully



implemented by all the services, it is estimated that the annual cost will be over \$200 million. An amendment on the floor of the House authorized the implementation of the program, and the Senate committee has also approved it, based on the expected favorable effect it will have in encouraging the all-volunteer concept. However, funds budgeted for this program were not provided by the House, and the committee has included these funds in the bill, believing that it is not feasible to expect the services to attempt to absorb this amount. However, the committee, in taking this action, expects that full implementation of the program will result in comparable reductions in the Army, Navy, Marine Corps, and Air Force—in other words, a reduction in personnel, the cost of which would absorb the funds that are being provided here to implement this service into the Armed Forces.

One of the arguments used in requesting civilianization of KP was that such work could be performed more cheaply through the civilianization program than through the present system. The committee expects the Department of Defense to prove this through reductions at least comparable to the increases provided.

Before I conclude, I wish to express my thanks to all the members of the committee and the members of the subcommittee who have assisted in the hearings and in the subsequent deliberations. In a measure of this magnitude and importance, there are bound to be differences of opinion. Such differences, if they took place, were settled amicably with a full understanding and appreciation of differing views. In particular, I wish to express my gratitude to the senior Senator from North Dakota (Mr. Young) who, as ranking minority member of the Defense Subcommittee, not only faithfully attended all the hearings held by Senator Ellender and the present chairman, but also gave of himself, and of his wisdom and experience, in fashioning the committee recommendation now before the Senate.

Mr. President, I hope for quick passage of this measure.

I now yield the floor so that the distinguished Senator from North Dakota (Mr. Young) may present his views on the bill. When he shall have concluded, I shall seek recognition from the Chair for the purpose of making a unanimous-consent request and also for the purpose of introducing an amendment.

Mr. YOUNG. Mr. President, I fully support the position taken by the distinguished chairman of the Appropriations Committee, Senator JOHN McCLELLAN, who is in charge of this bill. I will not go into the details of the items which the distinguished Senator has covered very carefully.

I share the concern of Senator McCLELLAN over the size of this appropriation and the need for the strictest kind of economy. I would have the same deep concern over this country's becoming a military state as I would of its becoming a welfare state.

With the sudden passing of our dear friend, the late Senator Allen J. Ellender, Senator McCLELLAN was placed in the position of handling this huge appropri-

tions bill on very short notice. It was especially difficult for him because he is deeply involved in a campaign of his own in his home State. I have watched with great admiration his grasp of the highly complex issues involved in this complicated bill. I am sure it meant many hours of intense study and evaluation. He has a very considerable knowledge of this bill and this, coupled with his always good judgment and concern for economy, makes his handling of this bill a great contribution to the Congress and to the security of this Nation.

Both Chairman McCLELLAN and I had the benefit of one of the most able staff members I have ever worked with either on the Appropriations Committee or any other committee of the Senate, Mr. Bill Woodruff. Few, if any, have his depth of knowledge and understanding of our defense system. There are three other staff members who deserve special recognition for their contribution to the preparation of this bill, Mr. Fran Hewitt, a longtime able member of the staff of the Appropriations Committee; a relatively new staff member, Mr. Pete Bonner, a marine pilot and recent veteran of the Vietnam war; and Miss Jane McMillan, who contributed many long and tireless hours.

Mr. President, the defense appropriations bill which we are considering today I believe represents the best possible compromise between those who believe we need much more money for an adequate national defense and security and those who sincerely believe that the defense budget could be sharply cut without endangering our defense posture.

The budget we are considering today is \$74,604,698,000, which is \$27.150 million over the amount approved by the House. It does represent a drastic cut of the requests of the Office of Management and Budget, the civilian Secretary of Defense Laird, the Secretaries of the Armed Services and the Joint Chiefs of Staff. It is more than \$5 billion below the budget request.

The Secretary of Defense, Melvin Laird, and all other top officials in the Department of Defense requested that the Senate restore \$2.3 billion of the cut imposed by the House.

Mr. President, we on the Appropriations Committee felt that restoration of this amount was just impossible, and unnecessary. We did restore only those sums that Secretary of Defense Melvin Laird deemed most urgent and critical. We even deleted a few of these very urgently requested restorations.

May I point out again that the Senate restored only \$700 million of the over \$2 billion requested by the Pentagon.

While this is still a big budget, it is the lowest in percentage of overall military expenditures of the Federal Government since World War II. Some of the major reasons why sharp cuts could not be made include:

First, pay for military and civilian personnel has doubled in the last 5 years. Even though there has been a reduction of more than 1,250,000 in personnel, both military and civilian, in the Defense Department in the last 2 years, the cost of overall personnel remains approximately the same. This personnel cost represents 56 percent of the total budget.

Second, the cost for retired military personnel is increasing every year and the amount in the bill is \$4,358,000,000. This is a mandatory expenditure.

Third, inflation and the ever more sophisticated military weapons have doubled, tripled, and sometimes even increased the costs of weapons such as a fighter plane by as much as 500 percent in the last 5 years.

Fourth, few people realize that the additional costs to meet pollution and environmental requirements in this bill alone increased the total appropriation by more than \$1 billion.

Mr. President, I often hear the argument that we have the nuclear capability of destroying any potential enemy several times over, and thus, we can sharply reduce military expenditures. It is undoubtedly true that we have this capability, but we cannot afford to stand still while Russia is sharply increasing her capability. We cannot afford to become a second-rate power to Russia even in the nuclear area.

For several years, when Robert McNamara was the Secretary of Defense, we put most of the emphasis on nuclear capability and did little about improving our capability for fighting a conventional war. With the massive nuclear capability of nations to destroy each other in a nuclear war, it is entirely possible that we may never have a nuclear war.

Poison gas was used in World War I quite extensively, but in World War II, even though both sides had a tremendous gas war capability, gas was never used. We may well have a similar situation with respect to the use of nuclear weapons in future years.

The unfortunate war we have been engaged in Vietnam in recent years has been totally conventional. Should we find ourselves in a war in the Middle East—and God forbid—that, too, would undoubtedly be a conventional war.

Too, Mr. President, while we have been fighting a war in Vietnam and with too many commitments elsewhere in the world, we have had to increase our conventional war capability considerably. More has to be done if we are not to become a second-rate military power.

Janes of London, recognized as one of the outstanding military authorities in the world, and most other reputable military authorities, believe that we are a second-rate power to Russia in many important categories. This is particularly true of much of our naval capability. They have a far greater number of submarines and strategic cruise missiles. We have no strategic cruise missiles at this time.

The Russian Army is by far the greatest in size in the world and undoubtedly in capability as well.

The Russian Foxbat fighter plane flies higher and faster than any fighter plane we have. There is money in this budget for the proposed new F-15 fighter which we believe would have all the capability of the Russian Foxbat and more—but even if this program is fully funded, it would be at least 3 years before these new planes would be available.

The present fighter planes for our aircraft carriers are old and fast becoming obsolete. The F-14 fighter, which the Navy had hoped would soon replace our

present carrier based plane, will not be available as previously scheduled. Here, again, one of the major problems is inflation and the sharply escalated cost of the plane.

There have been some delays, too, in the development of a newer and more powerful engine for this plane, as well as the F-15. To underfund the development of these new engines would be a serious mistake.

Our B-52 bombers, the backbone of our Strategic Air Command, will soon be 20 years old and are fast becoming obsolete and uneconomical to maintain. There is money in this bill, and I deem it a very highly important item, for research and development on a new and much more modern bomber—the B-1. But this plane, even if we move ahead as scheduled, would not be operational for at least 5 years.

While admittedly the Russians do have greater capability in some areas, on balance most military authorities believe that we still have greater capability and technological advantage. Russia is making great strides and, if we were to relax our efforts, we could within even a short period of 2 or 3 years become a second-rate power to Russia.

Mr. President, these are only a few reasons why I believe it is necessary that we appropriate the money in this bill which is urgently needed for our national security requirements.

Through our defense research and development program, we have made great strides toward better technology in almost every category. The Russian effort in research and development is a huge one and they, too, have made great progress. Only through research and development can we hope to keep abreast in this highly essential technology for both military and civilian needs.

The Armed Services Committees of the two Houses and the House Appropriations Committee together made a total cut in research and development funds of \$763,199,000. Only as the result of urgent requests did the Appropriations Committee restore \$311,000,000 of this cut. Thus, we will not have anywhere near the amount of funds in this important area as requested by the Department of Defense.

This cut will not only have a very serious adverse effect on our military requirements but it will, according to Dr. John Foster, Director of Defense Research and Engineering, mean a further cut in employment of approximately 75,000 people.

Mr. President, I do not believe it is necessary now, or ever has been, for the United States to maintain the biggest military force in the world—but I have always strongly believed that the weapons we do have should be the most modern possible, and not second best to those of any potential adversary.

When we became involved in World War I, as well as World War II, our enemies had far more modern and better military equipment and capability and technology. One of my major objectives as ranking Republican on the Senate Appropriations Committee and the Defense Appropriations Subcommittee is

to make sure that we will do everything we can to assure that we have the most modern weapons possible and that we will not become a second rate power to anyone.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of further amendment, provided that no points of order be considered as having been waived thereby.

Mr. PROXMIRE. Mr. President, will the Senator yield on that?

Mr. McCLELLAN. Yes, I yield.

Mr. PROXMIRE. I understand the Senator may have a correction in one of the committee amendments affecting KP. I want to make sure that we understand that, because I have an amendment related to the same subject. And I want to be sure that if the Senator offers a separate amendment, I am not foreclosed from putting in my amendment.

Mr. McCLELLAN. Will the Senator yield so that I may make a statement?

Mr. PROXMIRE. Yes, I yield.

Mr. McCLELLAN. I might advise the Senator that I am now going to offer an amendment to a part of the bill to which he refers. I am advised that probably he will submit an amendment.

We exclude from this request not only the amendment that the Senator may offer, but those that any other Senator might offer to that section of the bill. If I may proceed with the amendment I am going to offer, I think this would take care of the Senator's request.

The PRESIDING OFFICER. The question is on agreeing to the request of the Senator from Arkansas. Is there objection? The Chair hears none. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 10, after the word "elsewhere", strike out "\$7,488,461,000" and insert "\$7,533,063,000".

On page 2, line 18, after the word "cadets", strike out "\$5,260,081,000" and insert "\$5,306,749,000, of which not more than \$1,000,000 shall be available for payment of transportation bills for shipment of household goods and for transportation costs already incurred and chargeable to the fiscal year 1971 Military Personnel, Navy appropriation: *Provided*, That such payments shall not result in adjustments in the account of that appropriation."

On page 3, line 16, after the word "cadets", strike out "\$7,122,703,000" and insert "\$7,150,575,000".

On page 3, line 25, after the word "law", strike out "\$498,734,000" and insert "\$453,734,000".

On page 5, line 7, after the word "law", strike out "\$578,179,000" and insert "\$568,179,000".

On page 6, after line 3, strike out:

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, including administration; medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel, except elective private treatment), and other measures necessary to protect the health of the Army; care of the

dead; chaplains' activities; awards and medals; welfare and recreation; recruiting expenses; transportation of things; communications services; maps and similar data for military purposes; military surveys and engineering planning; repair of facilities; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers; expenses for the Reserve Officers' Training Corps and other units at educational institutions, as authorized by law; as follows: for strategic forces, \$109,184,000; for general purpose forces, \$1,655,990,000; for intelligence and communications, \$414,918,000; for airlift and sealift, \$44,059,000; for central supply and maintenance, \$2,108,448,000; for training operations, \$625,825,000; for medical activities, \$564,073,000; for general personnel activities, \$261,755,000; for administration and associated activities, \$378,756,000; and for the support of other nations, \$524,242,000; in all: \$6,587,250,000, and in addition, \$100,000,000 shall be derived by transfer from the Army stock fund. Of the total amount of this appropriation not to exceed \$3,453,000 can be used for emergencies and extraordinary expenses to be expended on the approval or authority of the Secretary of the Army, and payment may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government. Not less than \$231,000,000 of the total amount of this appropriation shall be available only for the maintenance of real property facilities.

And, in lieu thereof, insert:

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, including administration; medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel, except elective private treatment), and other measures necessary to protect the health of the Army; care of the dead; chaplains' activities; awards and medals; welfare and recreation; recruiting expenses; transportation services; communications services; maps and similar data for military purposes; military surveys and engineering planning; repair of facilities; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers; expenses for the Reserve Officers' Training Corps and other units at educational institutions, as authorized by law; and not to exceed \$3,453,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; \$6,899,619,000, and in addition, \$100,000,000 which shall be derived by transfer from the Army Stock Fund, of which not less than \$240,000,000 shall be available only for the maintenance of real property facilities.

On page 8, after line 16, strike out:

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corp, including aircraft and vessels, modification of aircraft, missiles, missile systems, and other ordnance; design of vessels; training and education of members of the Navy; administration; recruiting expenses; hire of passenger motor vehicles; welfare and recreation; medals, awards, emblems, and other insignia; transportation of things; industrial mobilization; medical and dental care; care of the dead; charter and hire of vessels; relief of vessels in distress; maritime salvage services; military communications facilities on merchant ves-



sels; annuity premiums and retirement benefits for civilian members of teaching services; tuition, allowances, and fees incident to training of military personnel at civilian institutions; repair of facilities; departmental salaries; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement of services, special clothing, supplies, and equipment; installation of equipment in public or private plants; exploration, prospecting, conservation, development, use, and operation of the naval petroleum and oil shale reserves, as authorized by law; as follows: for strategic forces, \$305,179,000; for general purposes forces, \$1,713,060,000; for intelligence and communications, \$306,989,000; for central supply and maintenance, \$1,936,583,000; for training operations, \$289,882,000; for medical activities, \$315,946,000; for general personnel activities, \$70,009,000; for administration and associated activities, \$170,334,000; and for the support of other nations, \$76,797,000; in all: \$5,134,779,000, and in addition, \$50,000,000 shall be derived by transfer from the Navy stock fund. Of the total amount of this appropriation not to exceed \$3,182,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payment may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government. Not less than \$127,000,000 of the total amount of this appropriation shall be available only for the maintenance of real property facilities.

And, in lieu thereof, insert:

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, including aircraft and vessels; modification of aircraft, missiles, missile systems, and other ordnance; design of vessels; training and education of members of the Navy; administration; procurement of military personnel; hire of passenger motor vehicles; welfare and recreation; medals, awards, emblems, and other insignia; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; medical and dental care; care of the dead; charter and hire of vessels; relief of vessels in distress; maritime salvage services; military communications facilities on merchant vessels; annuity premiums and retirement benefits for civilian members of teaching services; tuition, allowances, and fees incident to training of military personnel at civilian institutions; repair of facilities; departmental salaries; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement of services, special clothing, supplies, and equipment; installation of equipment in public or private plants; exploration, prospecting, conservation, development, use, and operation of the naval petroleum and oil shale reserves, as authorized by law; and not to exceed \$3,182,000 for emergency and extraordinary expenses, as authorized by section 7202 of title 10, United States Code, to be expended on the approval or authority of the Secretary and his determination shall be final and conclusive upon the accounting officers of the Government; \$5,287,798,000, and in addition, \$50,000,000 which shall be derived by transfer from the Navy Stock Fund, of which not less than \$135,000,000 shall be available only for maintenance of real property facilities.

On page 11, after line 14, strike out:

For expenses, necessary for the operation and maintenance of the Marine Corps, including equipment and facilities; procurement of military personnel; training and education of regular and reserve personnel, including tuition and other costs incurred at

civilian schools; welfare and recreation; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement and manufacture of military supplies, equipment, and clothing; hire of passenger motor vehicles; transportation of things; medals, awards, emblems, and other insignia; operation of station hospitals, dispensaries and dental clinics; and departmental salaries; as follows: for strategic forces, \$6,000; for general purpose forces, \$188,808,000; for intelligence and communications, \$816,000; for central supply and maintenance, \$92,669,000; for training operations, \$61,244,000; for administration and associated activities, \$27,968,000; and for the support of other nations, \$918,000; in all: \$372,429,000. Not less than \$37,500,000 of the total amount of this appropriation shall be available only for the maintenance of real property facilities.

And, in lieu thereof, insert:

For expenses, necessary for the operation and maintenance of the Marine Corps including equipment and facilities; procurement of military personnel; training and education of regular and reserve personnel, including tuition and other costs incurred at civilian schools; welfare and recreation; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement and manufacture of military supplies, equipment, and clothing; hire of passenger motor vehicles; transportation of things; medals, awards, emblems, and other insignia; operation of station hospitals, dispensaries, and dental clinics; and departmental salaries; \$381,823,000, of which not less than \$38,000,000 shall be available only for the maintenance of real property facilities.

On page 13, after line 1, strike out:

For expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Air Force, including the Air Force Reserve Officer's Training Corps; operation, maintenance, and modification of aircraft and missiles; transportation of things; repair and maintenance of facilities; field printing plants; hire of passenger motor vehicles; recruiting expenses; training and instruction of military personnel of the Air Force, including tuition and related expenses; pay, allowances, and travel expenses of contract surgeons; repair of private property and other necessary expenses of combat maneuvers; care of the dead; chaplain and other welfare and morale supplies and equipment; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for enlisted men and patients not otherwise provided for; awards and decorations; industrial mobilization, including maintenance of reserve plants and equipment and procurement planning; special services by contract and otherwise; as follows: for strategic forces, \$1,082,926,000; for general purpose forces, \$929,752,000; for intelligence and communications, \$587,464,000; for airlift and sealift, \$176,402,000; for central supply and maintenance, \$2,163,197,000; for training operations, \$495,521,000; for medical activities, \$322,903,000; for administration and associated activities, \$190,768,000; and for the support of other nations, \$274,747,000; in all: \$6,173,680,000, and in addition, \$50,000,000 shall be derived by transfer from the Defense stock fund. Of the total amount of this appropriation not to exceed \$2,249,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payment may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government. Not less than \$216,700,000 of the total amount of

this appropriation shall be available only for the maintenance of real property facilities.

And, in lieu thereof, insert:

For expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Air Force, including the Air Force Reserve and the Air Reserve Officer's Training Corps; operation, maintenance, and modification of aircraft and missiles; transportation of things; repair and maintenance of facilities; field printing plants; hire of passenger motor vehicles; recruiting advertising expenses; training and instruction of military personnel of the Air Force, including tuition and related expenses; pay, allowances, and travel expenses of contract surgeons; repair of private property and other necessary expenses of combat maneuvers; care of the dead; chaplain and other welfare and morale supplies and equipment; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for enlisted men and patients not otherwise provided for; awards and decorations; industrial mobilization, including maintenance of reserve plants and equipment and procurement planning; special services by contract or otherwise; and not to exceed \$2,249,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; \$6,424,705,000, and in addition, \$50,000,000 which shall be derived by transfer from the Defense Stock Fund, of which not less than \$220,000,000 shall be available only for the maintenance of real property facilities.

On page 15, after line 17, strike out:

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments and the Civil Defense Preparedness Agency), including administration; hire of passenger motor vehicles; welfare and recreation; awards and decorations; travel expenses, including expenses of temporary duty travel of military personnel; transportation of things; industrial mobilization; care of the dead; tuition and fees incident to the training of military personnel at civilian institutions; repair of facilities; departmental salaries; procurement of services, special clothing, supplies, and equipment; field printing plants; information and educational services for the Armed Forces; communication services; as follows: for Secretary of Defense activities, \$43,369,000; for the organization of the Joint Chiefs of Staff, \$8,118,000; for the Office of Information of the Armed Forces, \$9,703,000; for the Armed Forces Institute, \$6,486,000; for intelligence and communication activities, \$447,387,000; for the Defense Nuclear Agency, \$10,970,000; for the Defense Supply Agency, \$683,758,000; for the Defense Contract Audit Agency, \$57,853,000; in all: \$1,267,644,000. Of the total amount of this appropriation not to exceed \$4,316,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payment may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government. Not less than \$14,430,000 of the total amount of this appropriation shall be available only for the maintenance of real property facilities.

And, in lieu thereof, insert:

For expenses, not otherwise provided for, necessary for the operation and maintenance

of activities and agencies of the Department of Defense (other than the military departments and the Civil Defense Preparedness Agency), including administration; hire of passenger motor vehicles; welfare and recreation; awards and decorations; travel expenses, including expenses of temporary duty travel of military personnel; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; care of the dead; tuition and fees incident to the training of military personnel at civilian institutions; repair of facilities; departmental salaries; procurement of services, special clothing, supplies, and equipment; field printing plants; information and educational services for the Armed Forces; communication services; and not to exceed \$4,316,000 for emergency and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense for such purposes as he deems appropriate, and his determination thereon shall be final and conclusive upon the accounting officers of the Government; \$1,273,244,000, of which not less than \$14,430,000 shall be available only for the maintenance of real property facilities.

On page 17, after line 20, strike out:  
OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$199,299,000, of which not less than \$9,000,000 shall be available only for the maintenance of real property facilities.

On page 18, after line 5, strike out:  
OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$136,119,000, of which not less than \$8,000,000 shall be available only for the maintenance of real property facilities.

On page 18, after line 15, strike out:  
OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$8,094,000, of which not less than \$500,000 shall be available only for the maintenance of real property facilities.

On page 19, after line 2, strike out:  
OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$189,250,000, of which not less than \$3,300,000 shall be available only for the maintenance of real property facilities.

On page 20, line 5, after the word "aircraft", strike out "\$433,120,000" and insert "\$453,267,000".

On page 21, at the beginning of line 3, strike out "\$448,508,000" and insert "\$460,143,000".

On page 21, line 14, after the word "Board", strike out "\$159,000" and insert "\$100,000".

On page 23, line 6, after the word "purposes", strike out "\$43,500,000" and insert "\$38,800,000"; and, in line 7, after the word "addition", strike out "\$85,000,000" and insert "\$95,000,000, of which \$10,000,000 shall be derived by transfer from 'Aircraft Procurement, Army, 1972/1974', and \$85,000,000".

On page 24, line 1, after the word "purposes", strike out "\$691,100,000" and insert "\$663,900,000"; and, in line 2, after the word "addition", strike out "\$13,600,000" and insert "\$36,500,000".

On page 24, line 19, after the word "purposes", strike out "\$279,200,000" and insert "\$190,400,000, and in addition, \$56,000,000, of which \$35,000,000 shall be derived by transfer from 'Procurement of Equipment and Missiles, Army, 1971/1973', and \$21,000,000 which shall be derived by transfer from 'Procurement of Weapons and Tracked Combat Vehicles, Army, 1972/1974'".

On page 25, at the beginning of line 13, strike out "\$1,318,800,000" and insert "\$1,262,800,000, and in addition \$56,000,000, of which \$31,000,000 shall be derived by transfer from 'Procurement of Ammunition, Army, 1972/1974', and \$25,000,000 which shall be derived by transfer from the Army Industrial Fund".

On page 26, line 11, after the word "purposes", strike out "\$597,500,000" and insert "\$592,700,000"; and, in line 12, after the word "addition", strike out "\$25,000,000" and insert "\$37,500,000".

On page 27, line 1, after the word "plants", strike out "\$3,682,140,000" and insert "\$3,578,040,000"; and, in line 2, after the word "addition", strike out "\$40,000,000" and insert "\$155,000,000, of which \$74,000,000 shall be derived by transfer from the Navy Stock Fund, \$20,000,000 which shall be derived by transfer from 'Procurement of Aircraft and Missiles, Navy, 1972/1974', and \$61,000,000".

On page 27, line 21, after the word "amended", strike out "\$3,017,600,000" and insert "\$2,970,600,000".

On page 28, line 22, after the word "plants", strike out "\$2,328,400,000" and insert "\$2,316,400,000"; and, in line 24, after the word "addition", strike out "\$25,000,000" and insert "\$90,000,000, of which \$40,000,000 shall be derived by transfer from 'Other Procurement, Navy, 1972/1974', and \$50,000,000".

On page 29, line 13, after the word "only", strike out "\$173,400,000" and insert "\$162,400,000"; and, in the same line, after the word "addition", strike out "\$10,000,000" and insert "\$21,000,000, of which \$5,000,000 shall be derived by transfer from 'Procurement, Marine Corps 1972/1974', and \$16,000,000".

On page 30, line 8, after the word "things", strike out "\$2,368,000,000" and insert "\$2,152,100,000"; in line 9, after the word "addition", strike out "\$135,000,000" and insert "\$443,000,000"; at the beginning of line 10, strike out "\$110,000,000" and insert "\$135,000,000"; in line 11, after "1971/1973", insert "\$115,000,000 which shall be derived by trans-

fer from the Air Force Stock Fund, \$35,000,000 which shall be derived by transfer from the Defense Stock Fund, \$118,000,000 which shall be derived by transfer from the Army Stock Fund"; and, in line 16, after the word "and", strike out "\$25,000,000" and insert "\$40,000,000".

On page 31, at the beginning of line 9, strike out "\$1,637,500,000" and insert "\$1,670,000,000"; and, in the same line, after the word "addition", strike out "\$25,000,000" and insert "\$35,000,000, of which \$4,000,000 shall be derived by transfer from 'Missile Procurement, Air Force, 1972/1974', and \$31,000,000".

On page 32, line 6, after the word "amended", strike out "\$2,139,300,000" and insert "\$2,099,300,000".

On page 33, line 1, after "\$7,700,000", insert a comma and "of which \$2,700,000 shall be derived by transfer from the Defense Stock Fund, \$2,300,000 which shall be derived by transfer from 'Procurement Defense Agencies, 1971/1973', and \$2,700,000".

On page 33, line 15, after the word "law", strike out "\$1,746,132,000" and insert "\$1,879,002,000".

On page 33, line 25, after the word "law", strike out "\$2,504,343,000" and insert "\$2,598,213,000".

On page 34, line 9, after the word "law", strike out "\$3,080,940,000" and insert "\$3,161,040,000".

On page 34, at the beginning of line 16, strike out "Defense"; in the same line, after the word "Civil", insert "Defense"; and, in line 21, after the word "law", strike out "\$435,513,000" and insert "\$467,313,000".

On page 35, after line 11, strike out:  
DIRECTOR OF TEST AND EVALUATION, DEFENSE  
For expenses, not otherwise provided for, of independent activities of the Director of Defense Test and Evaluation in the direction and supervision of test and evaluation, including initial operational testing and evaluation; and performance of joint testing and evaluation; and administrative expenses in connection therewith, \$27,000,000, to remain available for obligation until June 28, 1974.

On page 38, line 16, after the word "exceeding", strike out "\$172,700,000" and insert "\$176,200,000".

On page 40, line 7, after the word "amended", insert a semicolon and "and (1) for reimbursement to the General Services Administration for expenses of the National Industrial Equipment Reserve incurred pursuant to section 8 of the National Industrial Reserve Act of 1948 (62 Stat. 1225, 50 U.S.C. 459)".

On page 46, line 11, after the word "except", insert a comma and "after May 31, 1973,".

On page 48, line 6, after the word "Provided", strike out "That the foregoing authority shall not be available for the conversion of heating plants from coal to oil at defense facilities in Europe: *Provided further,*".

On page 49, line 22, after the word "possessions", strike out the comma and "or specialty metals".

On page 54, line 13, after the word "exceed", strike out "\$750,000,000" and insert "\$850,000,000"; in line 16, after the word "funds", strike out "or any subdivision thereof,"; and, in line 24, after the word "personnel", strike out the



colon and "Provided further, That not less than \$92,950,000 of the authority granted in this section shall be available only for the Civilianization of Kitchen Police program of the Department of Defense".

On page 55, line 11, after the word "exceed", strike out "\$2,500,000,000" and insert "\$2,735,000,000".

On page 58, after line 3, strike out:

SEC. 743. None of the funds available to the Department of Defense shall be utilized for the conversion of heating plants from coal to oil at defense facilities in Europe.

And, in lieu thereof, insert:

SEC. 743. None of the funds made available in this Act shall be used for Exercise Reforger or Exercise Crested Cap or similar dual base exercises.

On page 58, after line 9, insert a new title, as follows:

#### TITLE VIII

##### ADDITIONAL AUTHORIZATIONS

SEC. 801. In addition to any other funds authorized to be appropriated during the fiscal year 1973 for the use of the Armed Forces of the United States for procurement, there is hereby authorized to be appropriated during the fiscal year 1973 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, and other weapons, as authorized by law, in amounts as follows:

Aircraft	
For aircraft:	
For the Navy and Marine Corps	\$134,400,000
For the Air Force	335,500,000
Missiles	
For missiles:	
For the Army	4,300,000
For the Navy	65,300,000
For the Air Force	39,800,000
Other Weapons	
For other weapons:	
For the Army	3,600,000

SEC. 802. Subsection (a) (1) of section 401 of Public Law 89-367, as amended by section 601(b) of Public Law 92-436, is hereby amended by deleting "\$2,500,000,000" and inserting "\$2,735,000,000" in lieu thereof.

Mr. McCLELLAN. Mr. President, yesterday the full committee, in acting on this bill, recommended restoration of the following House reductions in funds requested for the civilianization of kitchen police program:

Operation and maintenance, Army, \$65,000,000; operation and maintenance, Navy, \$6,650,000; operation and maintenance, Marine Corps, \$1,300,000; and operation and maintenance, Air Force, \$20,000,000, for a total of \$92,950,000.

Late last night, after consultation between the staff and Gen. John A. Kjellstrom, Director of Army Budget, the committee was advised that, due to some revisions in the Army's planned program, only an additional \$32 million was required to fully implement the Army's planned program. General Kjellstrom further advised:

We have no objection if the funds are withdrawn either during joint conference action or in any other means you propose.

Mr. President, I ask unanimous consent that General Kjellstrom's letter addressed to Mr. William W. Woodruff, counsel of the committee, be included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 29, 1972.

Mr. WILLIAM W. WOODRUFF,  
Counsel, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR BILL: I note that Full Committee action has restored the mess attendant program to each of the Services. I assure you that this restoration is most appreciated by all concerned. In keeping with my policy of full disclosure of cost, both increases and decreases, I must suggest that you provided \$33 million too much in the restoration of the program.

The original President's Budget request was \$99 million. Upon receipt of firm cost information from Army subordinate commands, it has been determined and reported in my testimony on the SEA Supplemental on 12 September that \$33 million was available for application against other priority projects. Although the additional \$33 million could be applied to other Army on-going activities, we have no objection if the funds are withdrawn either during Joint Conference action or in any other means you propose.

Sincerely,

J. A. KJELLSTROM,

Major General, GS Director of Army Budget.

Mr. McCLELLAN. I want to thank General Kjellstrom for his attention given to this matter. I point out that this is the type of cooperation that exists between the committee and the Department of Defense, the Army, the Navy, the Marine Corps, and the Air Force.

Mr. President, I call up the amendment to which I have referred.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 8, line 12 strike \$6,899,619,000 and insert \$6,866,619,000.

Mr. McCLELLAN. Mr. President, the amendment I have just offered on behalf of the committee is in nature of a perfecting amendment.

I ask unanimous consent that the adoption of this amendment not prevent the senior Senator from Wisconsin (Mr. PROXMIER) or any other Senator from offering amendments to further reduce the same appropriation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I am ready to yield the balance of my time on the amendment unless someone else wants to be heard. Does the Senator from North Dakota wish to be heard on the amendment?

Mr. YOUNG. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TIME LIMITATION AGREEMENT ON DEFENSE APPROPRIATION ACT—H.R. 16593

Mr. MANSFIELD. Mr. President, I am, with some trepidation, about to make a unanimous-consent request. It is evidently impossible to finish the bill today, so I ask unanimous consent that beginning on Monday when the pending business, the Defense Appropriation bill, is laid before the Senate there be a time limitation of 2 hours on the bill, 1 hour on amendments, and ½ hour on amendments to amendments, with the exception that any amendment having to do with ending the war or an across-the-board slash be exempted from such a time agreement.

Mr. MAGNUSON. Mr. President, reserving the right to object, there will be an amendment, I am told. It may be the two Senators from Washington, the Senator from Mississippi, and others would want to consider a specific time limitation, but I do not know. The amendment has not been presented. I do not know, but the Senator is asking for 1 hour on amendments?

Mr. MANSFIELD. Yes.

Mr. MAGNUSON. That is all right.

Mr. MANSFIELD. Yes. And time is not to begin running on Monday until after the pending business is laid down. If there can be votes on amendments this afternoon, fine and dandy. There would be no time limitation applicable.

The PRESIDING OFFICER. Is there objection?

Mr. MATHIAS. Mr. President, reserving the right to object—

Mr. MANSFIELD. If I may add to the request, I would say that if this request is granted the time would be divided between the distinguished chairman of the committee and the ranking Republican member of the committee.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MAGNUSON. We have just received the Whip notice for Monday and Tuesday. The other large, important appropriation bill that every Senator will be interested in is the HEW bill, which is now at the desk. I want Senators to know that after the cloture vote, the HEW appropriation bill will be brought up some time Tuesday afternoon. Is that correct?

Mr. MANSFIELD. That is correct, unless cloture is invoked.

Mr. MAGNUSON. Yes; then, we would proceed with the consumer bill if cloture is invoked. If it is not we would proceed sometime in the afternoon with HEW.

Mr. MANSFIELD. That is correct.

Mr. MATHIAS. Mr. President, reserving the right to object, I would like to inquire—

Mr. MANSFIELD. Mr. President, will the Senator yield to me for just ½ minute?

Mr. MATHIAS. Certainly.

Mr. MANSFIELD. I should add an addendum, in answer to the question propounded. If cloture is invoked and the consumer measure disposed of, HEW will be the pending business.

Mr. MAGNUSON. If cloture is invoked we will proceed to finish the bill, whether it is that day or as long as we go.

Mr. MANSFIELD. That is correct.

Mr. MATHIAS. Mr. President, I would like to inquire of the distinguished majority leader if it is his intention to continue this debate this afternoon, or would he consider that we would begin the time limitation he suggested under the request for unanimous consent on Monday?

Mr. MANSFIELD. The time limitation would begin on Monday, but it would be the Senator from Montana's personal desire and wish that if there are any amendments which could be offered and voted on this afternoon that they be offered and voted on, but whether that will happen, I cannot say.

Mr. MATHIAS. Further reserving the right to object, I want to cooperate with the leadership in every way possible. I do not want to interpose any arbitrary objections. I know the leadership since yesterday afternoon has been seeking some sort of unanimous agreement which would accelerate action on this bill. I do not think the bill should be postponed any longer than is necessary, but as we observed in a short colloquy a few moments ago, it is one of the largest appropriations since the end of World War II; it is, in effect, an assessment per capita on every American man, woman, and child of \$375; and it is a complex bill. The committee report was not available until 10:30 this morning. The bill itself is a long bill and, of course, we have barely one-half of the Senate present.

I think what the majority leader proposes, which I interpret to mean that substantive action will go over until Monday, except on such amendments that we could perhaps agree on this afternoon, is not unreasonable, and although I have resisted up to this time any unanimous consent for what I would consider to be hasty action, I will not interpose any further objection.

Mr. MANSFIELD. I appreciate the statement just made by the distinguished Senator from Maryland. What he said about the cost being applicable to every person in this country is approximately correct. What he says about the report not being ready is correct, although the report of the subcommittee was available and I would point out, if I remember correctly, that there were only two changes made by the full committee, in the recommendations made by the subcommittee. It is a big bill, probably the greatest in expenditures since the end of the Second World War, as the Senator has pointed out.

I must say that I do not find myself in disagreement with the distinguished Senator, but I do find myself in conflict with myself because of the fact that I have a dual responsibility, one as a Senator from the State of Montana, which would make me a Member of the Senator's entourage, and the other as majority leader charged by the Senate with the expediting of legislation and, hopefully, an adjournment sine die as soon as possible.

So I hope Senators will understand my position personally and professionally, if I may use those two terms, and I am sure the Senator has, because he has indicated that on several occasions.

Mr. MATHIAS. Mr. President, if the

Senator will yield, as I have said, I shall not interpose an objection to the unanimous-consent request as the majority leader offers it. I do not want to be arbitrary, but we have had such unhappy experiences when we try to go too fast that we find ourselves moving backward. One of the cases in point was not long ago when we adopted a conference report on military appropriations without having the report written and before us. By the time the report was written, there was language in that report which prohibited the expenditure of funds for advertisements by the Department of Defense, which precluded advertisements for enlistments, and which was quite a blow to the concept of a volunteer Army, which is one of the administration's primary objectives.

I just think if we can avoid shortcuts which bring about those embarrassments, we are well advised. I believe the majority leader's request was perfectly proper and does not propose any shortcuts at this time which would bring about precipitate action and, consequently, embarrassment.

Mr. MANSFIELD. I appreciate the remarks of the Senator.

The PRESIDING OFFICER. Is there objection?

The Chair will inquire of the majority leader if he desires the 1 hour's time to be divided in the usual manner.

Mr. MANSFIELD. In the usual manner, and the consent agreement in the usual form.

The PRESIDING OFFICER. And the half hour would apply to motions and appeals?

Mr. MANSFIELD. That is correct.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

The bill is open to amendment.

Mr. PROXMIRE. Mr. President, I have two amendments I would like to send to the desk to have printed. I want to discuss both of them, although I shall not call them up today. If I may—I understand this would be satisfactory to the leadership, and it may be satisfactory to the chairman of the committee—I would like to make one of the amendments the pending amendment so that we may act on it Monday, but I will defer to whatever the chairman wishes.

Mr. McCLELLAN. Mr. President, I have no objection to that procedure, but if an amendment could be offered this afternoon and disposed of, I would not want this amendment to be considered to the exclusion of any amendment that might be disposed of today. Perhaps we could have the understanding that the Senator would be willing to have his amendment set aside temporarily if that should occur.

Mr. PROXMIRE. Mr. President, in view of the Senator's statement, I shall defer discussing these amendments until it is clear whether any other Senator would like to offer any amendment for action this afternoon.

I yield the floor.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. McCLELLAN. Mr. President, I have no objection to proceeding with the

amendment. Of course, I do not know who may walk into the Chamber and have an amendment to offer. In the meantime, I suggest that the Senator agree that the amendment might be set aside temporarily, and yet remain the pending amendment, so that we could dispose of any amendment that might be offered and disposed of today.

Mr. PROXMIRE. Mr. President, I shall be happy to so agree. Any time the Senator would like me to defer consideration or discussion of my amendment, I shall be happy to do that.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

#### AMENDMENTS NOS. 1665 AND 1666

Mr. PROXMIRE. Mr. President, I send two amendments to the desk and ask that they be printed.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie at the desk.

Mr. PROXMIRE. Mr. President, the first amendment would limit the funds in the defense appropriation bill by preventing any of the funds appropriated by this act to be expended for the purpose of conducting aerial bombing in or over Vietnam, Laos, or Cambodia by U.S. military forces. This amendment would save at least \$2 billion and that is a conservative estimate. Incidentally, that \$2 billion saving is recovered by the amendment by reducing the bill by that amount.

#### THE FACTS ABOUT THE AIR WAR

What are the facts about the bombing in Vietnam? Through December 1971, according to the authoritative Cornell Air War Study, which was coordinated by physics Professor Raphael Littauer, some 6.2 million tons of bombs were dropped on Indochina.

Of this total, 3.6 million tons, or more than half, were dropped on South Vietnam—yes, South Vietnam. Some 500,000 tons had been dropped on North Vietnam at that time, while bombing the trails accounted for 1.4 million tons, northern Laos had been hit with 500,000 tons, and Cambodia with 200,000 tons.

In the period January 1, to June 30, 1972, another 500,000 tons, or half a million tons, of bombs were dropped. In June alone the rate was 12,400 tons.

We can therefore estimate that through today, the end of September 1972, some 7 million tons of bombs have been dropped by U.S. forces on South Vietnam, North Vietnam, Laos, and Cambodia.

#### DIMENSIONS OF THE BOMBING

What does this mean? In the entire period of World War II the United States dropped a total of only 2 million tons of bombs.

We have now dropped on Indochina during the Vietnam war at least 3½ times the bomb tonnage we dropped on Germany, Italy, and Japan throughout the entire period of World War II.

#### BOTH WRONG AND INEFFECTIVE

There are two things wrong with the bombing.

First of all it is wrong, immoral, and senseless.

Second, it does not work, has not worked, and will not work in the future.



When something is both bad and ineffective, it is time to call a halt.

What we have is a war which has not only killed soldiers and combatants, but has produced literally millions of civilian casualties of the war—these are the killed, the wounded, and the refugees from the war, much of it due to the bombing.

Tens of thousands of civilians have died, hundreds of thousands have been wounded, and millions more have been made homeless by the war and the bombing.

According to the latest reports, there are now some 230 B-52 bombers bombing Indochina. They are flying some 3,000 missions a month.

Our tactical fighter planes are flying about 15,000 sorties a month in both North and South Vietnam.

With our B-52's we are now doing what is called mass carpet bombing. A less euphemistic way of putting this is that "we are trying to bomb the North Vietnamese back to the stone age," which a number of leading Air Force supporters have advocated over the years. That quotation, of course, is a familiar one from the last campaign.

We are doing it now, but with what results?

#### BOMBING INEFFECTIVE

The war goes on. After dropping 7 million tons of bombs, 3½ times all the World War II bomb loads, the fighting continues.

Long ago, back in 1967, the military was advocating bombing to bring the North Vietnamese to their knees. In the famous hearings held by the Stennis Committee on the Air War, Adm. Ulysses S. G. Sharp, who then commanded the U.S. forces in the Pacific, advocated making the North Vietnamese cry "uncle." He argued that the United States had "begun to hurt the enemy in his home territory. He is suffering painful military, economic, and psychological strains. Now, when the enemy is hurting, we should increase the pressure"—page 8.

That is what Admiral Sharp said in 1967.

How wrong can you be? We followed that advice. We stepped up the war. We have poured on the bombs. This week alone, on Monday, Tuesday, and Wednesday, our fighter bombers attacked North Vietnam with more than 300 raids. And we have more than tripled the tonnage dropped in World War II.

Yet, 5 years after Admiral Sharp's optimistic advocacy, the north fights on.

#### IT DOES NOT WORK

Thus, not only are we bombing them back to the stone age, killing hundreds and perhaps thousands of innocent victims, causing hundreds of thousands of homeless, and devastating the countryside, but it is all to little or no avail. It does not work.

We should have known that. The strategic bombing survey after World War II—and I quote from it—told us so. Here is what it said:

The major cities of Germany present a spectacle of destruction so appalling as to suggest a complete breakdown of all aspects of urban activity. On the first impression it would appear that the area attack which laid waste these cities must have substan-

tially eliminated the industrial capacity of Germany.

And here is the important part:

Yet this was not the case. The attacks did not so reduce Germany war production as to have a decisive effect on the outcome of the war.

That is what the strategic bombing survey said.

At the time of the Stennis hearings, former Secretary Robert S. McNamara questioned the efficacy of the bombings, but for that act he ended up in Lyndon Johnson's doghouse.

#### PENTAGON PAPERS JASON REPORT

We now know from the publication of the Pentagon papers that the 1967 secret Jason study concluded similarly.

#### DID NOT REDUCE ABILITY TO FIGHT

It reported that the bombing had failed on three important counts. It found that:

Despite heavy attacks on NVN's (North Vietnamese) logistic system, manufacturing capabilities, and supply stores, its ability to sustain the war in the South has increased rather than decreased during the Rolling Thunder strikes.

#### DID NOT PERMANENTLY RAISE MORALE OF THE SOUTH

It found that the objective of bombing to raise the morale of the South Vietnamese was successful, except that it was "transient":

The report stated:

There was no indication that bombing could ever constitute a permanent support for South Vietnamese morale if the situation in the South itself was adverse.

#### DID NOT WEAKEN THE WILL OF THE NORTH

The bombing did not weaken the will of the North Vietnamese, according to the Jason study.

The expectation that bombing would erode the determination of Hanoi and its people clearly overestimated the persuasive and disruptive effects of the bombing and, correspondingly, underestimated the tenacity and recuperative capabilities of the North Vietnamese.—(All quotes from pp. 223-4, Pentagon Papers, Vol. IV Gravel Edition.)

We have dropped a total of 7 million tons of bombs in Indochina.

We have dropped some 3.6 to 4 million tons in South Vietnam—double the amount we dropped in World War II. This is the equivalent of dropping a 15-pound bomb on every acre of South Vietnam each year. And we continue to bomb in Laos, Cambodia, and along the trails and frontiers.

#### THE WAR GOES ON

But the war goes on. The enemy has not cried "Uncle." We increased our pressure on him, but the enemy is not hurting enough to bring this war to a close.

The fact is that the United States with its massive technological skills, with its millions of tons of bombs dropped on Vietnam, with all of its B-52 bombers, and 300 raids a day, cannot bring a small country the size of the State of Washington, with a population less than one-tenth of our own, to its knees.

Short of using atomic weapons, and that would be unthinkable, there is no way to win this war.

#### THE MILITARY HAS BEEN UNLEASHED

And let us not hear those foolish charges, once again, that if we just un-

leashed the military, it could be won. If dropping on Indochina 3½ times the payload of bombs we dropped in all of World War II is not "unleashing the military," then words have no meaning.

We have "unleashed" the military, and what we have to show for it is \$150 billion in expenditures, 50,000 American casualties, and some 3 million refugees, as the result of the action by both sides.

#### UNITED STATES NOT OMNIPOTENT

So, Mr. President, it is a hard lesson to learn, but the United States is not omnipotent in the world. A wave of the arm, a gunboat up the Yangtze River, or even 7 million tons of bombs, cannot bring results. The world is far more complicated than the easy slogans "unleash the military," "make them cry 'Uncle,'" or "bomb them back to the stone age"—would lead one to believe.

#### BOMBING IS NOT ONLY INEFFECTIVE, IT IS WRONG

But even if it were effective, the bombing is wrong. In a country where industrial targets are limited, where transportation is crude and relatively undeveloped, and where the society is largely rural, there are not enough legitimate targets to justify the amount of bombing we are doing. Three hundred fighter-bombers a day, day after day, cannot hit that many military targets. Carpet bombing cannot be effective against military targets. Even if the most careful attempts are made to bomb legitimate targets, bombing on this scale cannot help but hit civilian, nonmilitary, or very low priority targets affecting the lives and fortunes of millions of innocent people.

#### TIME TO STOP IS NOW

The time to stop the bombing is now. The time to do it is on this bill and with this amendment.

Mr. President, this is a limited amendment. It would not end our participation in Vietnam. It would not stop our aid to free world forces in Vietnam. That aid consists of more than \$2 billion. Indeed, this amendment would eliminate only one-third of the incremental cost of the Vietnam war. That incremental cost is estimated at \$6.1 billion, and this amendment would cut one-third of that cost, or \$2 billion.

#### TAXPAYER BURDEN

Two billion dollars is a mammoth amount of money. It is a heavy burden on the American taxpayer. In fact it means a tax of \$40 for each American family. The cost is heavy, but the cost is the least of it.

There is no question that the bombing has destroyed schools, hospitals, and homes. It has killed innocent civilians, it has helped make millions homeless.

And Mr. President, what is it accomplishing? Even many of the military experts argue that it is not significantly hurting Hanoi, that the bombing may be strengthening their determination to continue. Whatever interruption of supply and support of Vietcong troops fighting in South Vietnam has been minor. At least it has not been enough to stop the North Vietnam offensive. So it is not working; it is not effective.

And what in the world is the point of our pouring this \$2 billion in a useless,

senseless bombing of a primitive economy when North Vietnam by no stretch of the imagination constitutes the slightest threat to the United States or any of our vital interests?

#### WHAT BENEFIT FOR AMERICAN TAXPAYER?

What does the American taxpayer get for this \$2 billion expenditure? Does this little North Vietnam with its wagon and wheelbarrow economy constitute a threat to the United States of America? Where? In this hemisphere? In the Pacific?

Mr. President, our Government has reached a detente with what we used to call Red China—Communist China. Our President's visit paved the way to admission of Communist China to the United Nations. The administration's policies have just resulted in a new era of cooperation between the two great powers of Asia: Japan and Red China. We are discussing trade with China and a huge sale of wheat to help the Communist Chinese, just as we concluded a sale to the Russians. All this may or may not be wise.

But, Mr. President, if we are so unconcerned about any Asiatic threat from Communist China that we work and trade and cooperate with them, why are we unleashing the most powerful bombing attack on little North Vietnam the world has ever seen?

#### COMMUNIST CHINA OR MAN OF REAL THREAT?

Someday, somehow, in some way Communist China could indeed constitute a threat to our interests in the Pacific. It could conceivably sometime in the future, in concert with the Japanese, virtually exclude American influence in Asia.

Communist China does indeed constitute at least a potential, distant military threat.

But how does little North Vietnam, with one-fourth of 1 percent of the population of Communist China, with about one-tenth of 1 percent of American economic strength?

Let me repeat that, Mr. President. North Vietnam has less than one-tenth of 1 percent of our American economic production. In other words, about one one-thousandths of our economic production. It has no Navy to speak of, a pitiful little air force, not even the suggestion of a whisper of a dream for any nuclear power.

Now how can this little dwarf of a fifth-rate country constitute the kind of a threat to our interests in the Pacific, in Asia, or anywhere else in the world that justifies our spending \$2 billion of the taxpayers money in a wasteful, useless, aimless waste to endless bombing?

#### COMMUNIST CHINA BENEFITS FROM BOMBING

For a moment forget the morality of the bombing, forget the deep embitterment and hatred the bombing is driving into the souls of people throughout the world. For a moment assume what the facts clearly deny—assume that it is having great military success, what is the purpose of it? What can it possibly accomplish? Does it in any way reduce the power of Communist China now or in the future? Of course not.

If North Vietnam is blasted to kingdom

come, Communist China wins in two ways:

First. An independent little country that has resisted China for a thousand years is eliminated and a power vacuum is created on the southern border of China.

Second. A record of inhumanity perpetrated by the United States of America against the yellow man; that is, the most powerful aerial bombardment in world history, and this is just what the U.S. bombing of Vietnam is, is riveting into the consciousness of Asians for generations the planned, premeditated cruelty of the United States of America.

We hope and pray that we may live at peace with Communist China and the other Asian nations, but if in the future we face the Chinese in a Pacific war, the record of our endless bombing of Vietnam could serve as an immensely valuable rallying point for the Communist Chinese to appeal to all Asian nations against this country.

So again I ask, what do we get for this terrible waste of \$2 billion except a vast strengthening of our potential adversary in the Far East?

The bombing makes no sense from a moral standpoint, from a military standpoint, or from a foreign policy standpoint. It is a total waste of \$2 billion.

Mr. President, my other amendment is on a different subject, entirely different from the amendment I have submitted. It is an amendment, incidentally, which I understand the Defense Appropriations Subcommittee of the Appropriations Committee initially supported; at least, they supported this position. They were overruled by the full Appropriations Committee. It is an amendment that supports the position taken by the House with respect to this matter, too. Incidentally, Senator COOPER is cosponsoring this amendment with me.

The amendment eliminates all the funds added by the committee over both the House bill and the recommendations of the Defense Appropriations Subcommittee for hiring civilians to do so-called KP duty for military personnel.

Let me specify what the amendment would do. It takes \$32 million from Army O. & M. funds. It takes \$6,650,000 from Navy O. & M. funds. It takes \$13 million from Marine Corps O. & M. funds. It takes \$20 million from Air Force O. & M. funds.

It ends payments for KP after May of 1973. It does so in an orderly way that the subcommittee felt was the way to do it. It lets existing programs continue until terminated. It cuts out the added funds put in by the committee for KP after that date. The total cut is \$59.950 million, or approximately \$60 million.

Mr. President, I believe in a volunteer armed force. I believe in paying military personnel well, but I believe everyone should do their own dirty work. Everyone should clean up after themselves.

This KP service for military personnel takes tens of millions of dollars from American taxpayers. And who does the taxpayers' KP? You tell an American husband and wife who are living on \$10,000 a year, paying hundreds of dollars in taxes to the Federal Government,

that part of those taxes are going to provide for dishwashers and pot and pan cleaners for the boys in the service. Those taxpayers do not have a cleaning woman and a maid and a cook. They have to do their own work. This is the overwhelming majority of Americans. Not one taxpayer in a hundred has full-time servants. You tell them that part of those taxes are going to provide for dishwashers and pot and pan cleaners for the boys in the service—not, mind you, for those in combat, but for the servicemen living a peaceful life in barracks in this country and around the world, and getting well enough paid for it, that the overwhelming majority volunteer. Tell them that, and see if they will support that position. I doubt that they will.

Who does KP for the taxpayer? I repeat: Who does KP for the taxpayer? Obviously, the overwhelming majority of taxpayers clean their own dishes, their own pots and pans. That family pays the great bulk of American taxes. They believe in and support and honor our servicemen in war or peace. But that does not mean they want to take their hard-earned dollars to provide maid service.

Tens of millions of Americans including most Members of this body have served in the armed services in the past 30 years. Most of us did KP. And most did not like it. We kidded about it. We were punished once in a while, when we made a mistake or did something wrong, by a little extra KP duty. But it did not do us one bit of harm. In fact, in my view, it did us a lot of good.

We learned, if we did not know it before, how to clean up our own mess. We earned a different kind of respect for our mother or our wife.

Mr. President, one of the arguments for adding these millions of dollars a year for maid service and butler service is that it will free the serviceman for more essential tasks. That is one argument those promoting this bill had better forget.

The new Army may be different from the old Army in many respects. But as the Vietnam war ends and we enter a period of relative peace, let us not forget that if there is one very tough task in the military, it is finding useful, constructive work to keep servicemen busy.

A major problem in this country and all over the world has been and is the endless idleness of military personnel.

I recall the articles in the Washington Post about the drug and the crime problems with American troops in Europe. They were heartbreaking stories, because these are wonderful young men, some of our finest, but they do not have anything to do; they are not kept busy. What we do here is to provide another \$60 million so that they would be more idle than they were before.

You can only do so much close order drill and maneuvers and rifle cleaning, and even school and instruction. One thing our military personnel does not need more of is idleness—free time.

KP is not only good for the serviceman. It is a constructive and useful time-user.

Mr. President, the supporters of this



allocation of millions for maid and butler service for servicemen also argue that it will save money, because military personnel is more costly than civilian personnel. Yet, they ask for \$60 million for it.

We Senators might be confused occasionally by the out-of-this-world fancy figures we have to deal with. To put it bluntly, we may be a little dumb—but we are not so dumb as to believe that you save millions of dollars by spending an additional \$60 million. If this program will save money, then, in spite of all my misgivings and all the arguments I have given in this speech, I will support it; but if it is going to save money, then let us cut the appropriation, not increase it. And this is what we are doing. We are providing \$60 million more. How does that save money? Can you have a proposal that saves millions of dollars but costs \$60 million more? I would like to have that explained to me.

Mr. President, the American taxpayer is being hit by enough these days. Everything is used as an excuse. The increasing cost of education hits him. The growing health cost slams him again. Welfare cost increases shoot another hole in his pocket. The immense cost of the Vietnam war and new weapons and ever-increasing technological military cost also swat the taxpayer, as well as the cost of highways, space, foreign aid, public works, and all the rest. But one cost the taxpayer who does his own KP, cleans his own toilet, washes his own dishes and pots and pans—one cost he does not want and cannot understand and will not buy and will not support and should not have to pay is for somebody else's, anybody else's KP, whether they are servicemen or State Department personnel or U.S. Senators. That is one thing we ought to pay for ourselves.

Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Illinois (Mr. STEVENSON) be added as a cosponsor of my KP amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I will be brief.

Is this amendment pending now?

Mr. PROXMIER. I believe not. I sent it to the desk to be printed.

The PRESIDING OFFICER. No amendment is pending.

Mr. McCLELLAN. I assume that the amendment will be offered formally on Monday, when we reconvene, and at that time I believe we will have an hour of debate.

Mr. PROXMIER. I will be happy to make it the pending business at the end of the day, if that suits the chairman.

Mr. McCLELLAN. It is immaterial to me. It is all right, if the Senator wishes to do it.

Mr. President, when we reconvene on Monday, there will be a time limitation of 1 hour on the amendment, a half-hour for each side, and I will defer most of my comments about the amendment until then.

In the meantime, I just wish to suggest for the record that we are trying to withdraw our weapons and stop using them to defend our troops before we get

our troops home. That would be the effect of this amendment. I can understand those who take the position that we want to get our troops home right now and stop everything. That is one point of view. There are honest differences of opinion about that. But so long as our troops are over there and the other side will not agree to a cease-fire, as long as we are exposed, I do not believe that we should unilaterally stop fighting.

If we are going to fight, let us use our weapons. If we want to take this weapon away from our troops, the weapon of bombing the sources of the war strength of the enemy, if we want to take that weapon away, why not take away the artillery, why not take away from our troops their rifles, why not take away all ammunition? Why not take it all out of this bill and say to them, "If we don't get you home, we'll just leave you there as a target, without the ability to defend yourselves?"

It is not their fault they are there. We owe them protection. We owe them the ability to defend themselves as long as we keep them there. I have great sympathy with those who feel that we should bring them home, although I do not agree that it should be done precipitately under the circumstances. I want to see the war ended, of course. But saying that bombing the enemy does not hurt is hardly correct. If it does not hurt, then why not do away with all the bombers and let us junk them and quit spending money on airplanes that do the bombing. It may not end the war immediately, but you cannot tell me, Mr. President, that bombing the air bases, the railroad terminals, the docks and those other things which are so essential to the logistics of war do not hurt. They do hurt.

The enemy is bombing. The enemy is throwing shells into our forces every time they get the chance.

We never hear anything about the enemy not wanting to end the war.

Always it is our country that gets the blame.

Mr. President, this war can end any day the enemy will agree to a cease-fire.

Until they do agree to a cease-fire, as long as we have troops over there, I am not one of those who will disarm them. I want them to have the weapons, and the best weapons we can provide them with. As long as they are there and the enemy is fighting, I want them to use those weapons.

Mr. YOUNG. Mr. President, the bombing of North Vietnam, the Ho Chi Minh Trail and in Cambodia has not ended the war. If it had not been for the bombing, we would have been run out of South Vietnam a long time ago and North Vietnam would have taken over South Vietnam and there would have been a blood bath.

It is true that it is difficult to win this war. We should never have gotten involved in the first place. I warned against that as far back as 1954. But, since we are in the war, we do not want to give the enemy all the advantages and our troops all the disadvantages.

Mr. PROXMIER. Mr. President, in response to the comments of the distinguished chairman and the ranking Re-

publican member of the Appropriations Committee, I should like to point out that the administration has said many times—most vividly I remember when Secretary of State Rogers came before the Appropriations Subcommittee on Foreign Operations, he told us that Vietnamization is working and if it is, South Vietnam doesn't need our bombing. The fact is, we have armed a 1 million man South Vietnamese army. We have given the South Vietnamese a tremendous force—it is one of the biggest and best equipped armies in the world now. They also have an air force, thanks to us. They can bomb. They can strafe. They can use all the enormous power we have given them. My amendment would permit a continuation of more than \$2 billion of military assistance to them, and another \$2 billion of direct military action by our own troops. It would only stop the senseless, wasteful, cruel but militarily useless bombing.

When we have tried bombing for 7 years and it has not worked and we are still fighting there, with North Vietnam still engaged in offensives, it does not make any sense to squander the taxpayers' money further. Let's cut our losses and get out.

It would be one thing if the South Vietnamese were not protected—we talk about a blood bath, although we are bringing a blood bath to North Vietnam by our bombing—but forgetting that for the moment, if South Vietnam with all the immense help we have given them—and Secretary Rogers agrees we have given them several times as much as Russia and China have given to North Vietnam—and they have as many people in South Vietnam as there are in North Vietnam, and much more industry in the South than in North Vietnam, if they are not able with all these advantages to protect themselves against aggression from the North then it follows that they do not have the support of their own people, that they do not have the spirit or will to win and that is something we cannot give them with all the bombing in the world. The fact is our bombing of North Vietnam is strengthening the morale of that country, our enemy. It is not helping South Vietnam sufficiently for South Vietnam to win.

Mr. McCLELLAN. It seems to me that is the argument we are hearing which is becoming somewhat old salt—like the salt referred to in the Bible which has just about lost its savor. We are hearing that argument over and over and over at a time when the war is coming to an end.

I can remember when the Democrats, my own party, were in power in this country and they were sending our people over there. They built it up. They were wrong. I think that we were wrong, but we are there. Maybe we were wrong in everything in going over there, but we are over there. This administration and those of us who have tried to support this program of Vietnamization feel that it has made great progress because today, instead of having 550,000 Americans over there exposed to death, we have fewer than 50,000, and that number is still being reduced.

Full cooperation on the part of this Congress and the American people, in the right way, in my judgment, will be conducive to bringing this war to an end quicker. In always finding fault with America, and finding no fault with the other country we do ourselves an injustice.

As I said a moment ago, North Vietnam can bring this war to an end any day it will agree to a cease-fire.

Mr. PROXMIRE. If the Senator will yield again briefly, I should like to point out that this is the longest war in our history. We fought World War II in 4 years. This war goes on and on and on. The Senator says he can remember back years ago when the cry was, "Just send a few more men over."

Mr. McCLELLAN. I know, but whose administration was that?

Mr. PROXMIRE. I agree. I have criticized that—

Mr. McCLELLAN. We have been wrong to fight these—

Mr. PROXMIRE. That does not mean it is right now, when we are pouring more bombs than ever.

Mr. McCLELLAN. No, and that does not make it right when we want to take them all out at once. We have been wrong about some things. We may be wrong about that.

Mr. PROXMIRE. My amendment is not taking them all out at once. As the Senator said in his own words, we have taken 90 percent out already. All I am saying is, the time has come for South Vietnam to do its own fighting. How many Russian bombers are involved? How many Chinese? Not one, not a single one. The time to end our participation is the time when we have provided South Vietnam with everything any country could possibly expect in terms of training, in terms of guns, tanks, planes, ammunition, in terms of economic support in every possible way. If they cannot hack it—maybe they could without us, but if not, they never will.

Mr. McCLELLAN. The Senator could be mistaken in that statement, just as we have been mistaken in so many other things we have said. I do not believe that anyone's opinion or judgment about this war is infallible, that it has been at any time, or that it is now. We can all have honest differences of opinion.

Mr. YOUNG. Mr. President, the committee report contains a table on page 15 which shows the cost of the war year-by-year.

Let me read a few of the figures:

In 1965, the cost of the war was \$103 million.

In 1966, it jumped to \$5,812,000,000.

In 1967 it was \$20,133,000,000.

In 1968, it jumped to \$26,547,000,000.

In 1969, it went to \$28,805,000,000.

In 1970, it went down to \$23,052,000,000.

In 1971, it was \$14,719,000,000.

In 1972, it was down to \$9,261,000,000.

It is estimated for this year to be \$7,063,000,000.

Mr. President, I ask unanimous consent to have this table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

## SOUTHEAST ASIA OPERATIONS

[Outlays in millions of dollars]

Fiscal year	Full costs	Incremental costs	Number of U.S. forces in South Vietnam—end of year	Number of U.S. forces in Southeast Asia, other than South Vietnam—end of year <sup>1</sup>
1965	\$103	\$103	59,900	42,900
1966	5,812	5,812	267,500	54,200
1967	20,133	18,417	448,800	80,300
1968	26,547	20,012	534,700	87,400
1969	28,805	21,542	538,700	82,900
1970	23,052	17,373	414,900	57,200
1971	14,719	11,542	239,200	48,200
1972	9,261	7,346	48,005	84,700
1973 budget estimate	7,063	5,821	* 39,000	NA

<sup>1</sup> Figures used are a combination of Thailand and off-shore naval forces as of the end of periods indicated.

<sup>2</sup> Preliminary estimate.

<sup>3</sup> Planned authorized strength to be obtained by Sept. 1, 1972, as announced by the President on June 28, 1972.

Note.—Combined strength of U.S. military personnel in Cambodia and Laos was under 1,000 during these periods except for increased military activities in Cambodia in 1971. The number of U.S. military personnel in Cambodia at that time was included in the totals for South Vietnam.

Mr. YOUNG. Mr. President, these figures show a sharp drop in the cost of the war. I believe that if we persist another year we will be out or very close to being out. Our forces have inflicted tremendous damage to the North Vietnamese forces. Many military observers state that the North Vietnamese have been hurt to the extent they may have the capability to launch only one more offensive. Our peace negotiators have observed that the North Vietnamese have become more conciliatory in the past year at the peace table.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum—

Mr. PROXMIRE. Mr. President, will the Senator withhold that, I should like to call up my KP amendment and I want to ask it be made the pending business on Monday next.

Mr. McCLELLAN. If the Senator from Wisconsin will withhold that for a moment, the Senator from Indiana (Mr. BAYH) wishes to offer an amendment.

Mr. BAYH. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The Clerk will state the amendment.

The legislative clerk read as follows:

At the appropriate place in the bill insert a new section as follows:

"Sec. —. None of the funds appropriated by this or any other Act shall be available for entering into any contract or agreement with any foreign corporation, organization, person, or other entity for the performance of research and development in connection with any weapon system or other military equipment for the Department of Defense when there is a United States corporation, organization, person, or other entity equally competent to carry out such research and development and willing to do so at a lower cost."

Mr. BAYH. Mr. President, in light of the critical nature of the debate that just ensued, the amendment of the Senator from Indiana is admittedly anticlimactic. I ask the indulgence of the Senate for a couple of minutes. I have discussed this amendment with the distinguished chairman of the committee and the distinguished ranking minority

member. It should only take a couple of minutes of the time of the Senate.

I think the amendment speaks for itself. And for that reason I did not ask unanimous consent that further reading of the amendment be dispensed with.

We have an increase of research and development funds in this bill over last year's appropriation of some \$400 million. We added another \$100 million on yesterday. So, that is about \$500 million of additional research and development funds.

The Government follows a practice on occasion of farming out research and development programs to foreign countries. The amendment of the Senator from Indiana would not prohibit that. It would say only that if we are going to farm out research and development monies and send these dollars abroad or to neighboring countries—provide job opportunities for foreign countries or neighboring countries—the very least that we should do is insure that no American company has the expertise to enable it to do the job and do it cheaper. I think that is the least that needs to be done.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. McCLELLAN. Mr. President, could the Senator indicate for the record what specific, if any, contract or business contract or relationship may exist between countries that the Senator is striking at in this amendment? Is it anything specific? Is it something that now exists at this time so that we may know what it is?

Mr. BAYH. Yes, there are some specifics. We have relationships with some of our allies in which sole source research and development contracts are let. I for one would prefer to see these contracts let in the United States. Right now we have a significant unemployment problem. I would prefer to see that work done here.

However, that is not the approach of the amendment. The approach says that for those allies that are now given the opportunity to do research and development work with their scientists for our military procurement projects, the very least they should meet is the cost test. If they can do it cheaper than firms in our country, that is all right. However, if we have scientists and engineers—as we do in many areas—with the expertise that makes them competitive with foreign firms, the foreign firm ought to have to demonstrate an ability to build that mouse trap or whatever it might be at least as cheap as the American firm.

I think that we should not send this contract abroad if an American firm can do it cheaper. That is the specific problem that my amendment is directed to.

Mr. McCLELLAN. Mr. President, I am in general agreement with the sentiments which the Senator has expressed. And on the face of it, I see nothing wrong with the amendment. I am inclined to take it to conference so that it can be at least studied. I agree with the general views which the Senator has expressed. If we can do it here, why should we send the money abroad? However, what I was trying to ascertain was if there is any



existing situation that embodies the evil that the Senator is striking at here? Does he know of anything he can specifically identify at this time?

Mr. BAYH. Yes. There are probably several. One has been called to my attention. That involves a contract to build a sophisticated communications system for the U.S. Army, I believe it is. This contract is about to be negotiated, sole source, with a foreign country. And the foreign country is subsidizing the contract. And yet I am advised that if it is thrown open to bids, there is at least one and perhaps two American firms that might be able to underbid the foreign contractor, even though the foreign contractor is subsidized. That does not make sense to the Senator from Indiana.

Mr. McCLELLAN. Mr. President, in other words, the Senator says that there is a potential situation which would create the evil that his amendment would strike at and that that potential the Senator believes is imminent.

Mr. BAYH. That is an accurate statement. And that is why I think it is important.

Mr. McCLELLAN. Mr. President, I would like further to ascertain something else. Would this interfere in any way with any contracts that are now outstanding? It seems to me that it is not the intention to abrogate any existing contracts that may now be in force.

Mr. BAYH. No. I do not want to abrogate any contracts that are now in force. I do not want to jeopardize any relationships. However, I do think and know that there are some contracts that are imminent that would send U.S. dollars to a foreign country when we might have the capacity and the expertise to do the job perhaps better and cheaper at home. Why should we not spend this money at home to employ American workers?

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. PROXMIRE. Mr. President, I think this is an amendment that has a great deal of merit in it, because it does provide for competition, as I understand it. However, what concerns me is that I do not think—unless the Senator from Indiana has information on this—that the Defense Department or procurement officials of the Defense Department have had a chance to comment on it, I think it would be very helpful if we had their views.

Frankly, I often disagree with them, and I might in this case. However, I think they ought to have a chance to explain their situation before we act and before the bill goes to conference, because the Senator from Indiana might not have as good a chance to rebut what the officials of the Defense Department might say.

Mr. BAYH. Mr. President, I think I can tell the Senator what the Defense Department feels about this type of thing, because and this matter has been discussed with the Defense Department, the Defense Department would not be really concerned about this change in my opinion. I would not want to delude my friend, the Senator from Wisconsin, or distort the picture for him or for anyone else.

I think the Defense Department is

presently following the lead imposed upon them by the State Department. It feels that the only way we can maintain present relationships with some governments is to subsidize their research and development programs to build military weapons for the United States.

It seems to me that we have gotten involved before because of the State Department trying to use military procurement to further our foreign policy and we have gotten ourselves into some real messes. I do not want to suggest to the Senator that if he calls the Secretary of the State, the Secretary of State would say that he is for the amendment. I do not know whether he would say that or not. I doubt that he would.

If the Secretary of State or the Department of Defense wants to go to a friendly nation and say, "Here is a research contract. Bid on it, and your cost is lowest, build a military weapon," this would not exclude that. But if an American firm can do it better and cheaper the Senator from Indiana feels that we want to preserve their right to compete, and I have offered this amendment to strike at that point.

Mr. McCLELLAN. Mr. President, the distinguished Senator from Indiana is a member of the Committee on Appropriations. I regret that this amendment was not presented to the committee so that it might have expressed its views with respect to it. It probably would have approved the amendment, but I do not know.

I have already expressed my sentiments. I am in accord with what the amendment would undertake to do. I think it is probably long overdue that this be our policy, but I have had no opportunity, as pointed out by the Senator from Wisconsin, to hear the other side. That is the only thing that gives me any concern.

I am willing, if my colleague from North Dakota is willing, to take this amendment to conference. Then, it will be in conference and in the meantime we can give it further consideration. If I conclude for any reason that I do not think it is wise under the circumstances I would not want to be held to an obligation to insist upon it in conference.

But if we do not take it to conference, we will have no opportunity to evaluate it. Unless my distinguished friend from North Dakota has some objection, I would be willing to take the amendment to conference. In the meantime we can study it and give the Department of Defense an opportunity, if it has serious opposition to it, to let us know.

Mr. YOUNG. I have no objection. In fact, I think the amendment has merit.

Mr. McCLELLAN. I thank the Senator very much. I am very glad to accept the amendment and take it to conference.

The PRESIDING OFFICER (Mr. BELLMON). The question is on agreeing to the amendment. [Putting the question.] The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I commend the distinguished Senator from Indiana for having presented the amendment. My regret is that I did not have a chance to consider it in committee.

Mr. BAYH. Mr. President, if the Sen-

ator will permit me a moment to respond, I appreciate the courtesy of the Senator from Arkansas. As I said to him personally I will say for the Record: I am embarrassed at the inability to consider this in committee. As I said to him privately I will say publicly: this matter came to the Senator's attention at 1 o'clock yesterday afternoon after we marked the bill up at noon. I was embarrassed because if it had been before the committee I do not think that a single Senator would have voted against it, it is so equitable. Because of the time limits to it, it is important that we go on record.

Although the hour is late, I can understand the Senator from Arkansas wanting to hear the argument. I think it is wise to hear the argument, and I am confident that this amendment will be sustained as an equitable position. Since it is so late, I have not asked for the yeas and nays, but I am confident we would have the overwhelming support of the Senate on this measure. I thank the Senator.

#### AMENDMENT NO. 1666

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Wisconsin wish to call up his amendment and make it the pending amendment?

Mr. PROXMIRE. I call up the KP amendment and ask that it be made the pending business. I do not have the number.

The PRESIDING OFFICER. It is amendment No. 1666. The amendment will be stated.

The amendment was read as follows:

On page 8, line 12, strike out "\$6,866,619,000" and insert in lieu thereof "\$6,834,619,000".

On page 11, line 10, strike out "\$5,287,798,000" and insert in lieu thereof "\$5,281,148,000".

On page 12 line 23, strike out "\$381,823,000" and insert in lieu thereof "\$380,523,000".

On page 15, line 13, strike out "\$6,424,705,000" and insert in lieu thereof "\$6,404,705,000".

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MATHIAS, I ask unanimous consent that Mr. Syd Hurlburt be allowed access to the Senate floor for the remainder of the Senate debate on H.R. 1.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 9 A.M., MONDAY, OCTOBER 2, 1972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 9 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS CRANSTON, TUNNEY, BAYH, ROBERT C. BYRD, AND SCOTT ON MONDAY, OCTOBER 2, 1972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of the two leaders under

the standing order on Monday the following Senators be recognized, each for not to exceed 15 minutes and in the order stated: Mr. CRANSTON, Mr. TUNNEY, Mr. BAYH, Mr. ROBERT C. BYRD, and Mr. SCOTT.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, OCTOBER 2, 1972, AND FOR H.R. 1 TO BE LAID BEFORE THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders recognizing Senators on Monday there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 3 minutes, at the conclusion of which the Chair lay before the Senate H.R. 1.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for Monday is as follows:

The Senate will convene at 9 o'clock a.m. After the two leaders have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. CRANSTON, Mr. TUNNEY, Mr. BAYH, Mr. ROBERT C. BYRD, and Mr. SCOTT, at the conclusion of which orders there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 3 minutes. Following the morning business, the Senate will proceed to the consideration of H.R. 1. It is hoped that Senators who have amendments to H.R. 1 will call them up. Yea-and-nay votes, of course, may occur thereon. The pending question on H.R. 1 will be on the adoption of amendment No. 1663 by the senior Senator from Virginia (Mr. HARRY F. BYRD, JR.).

When no further progress is possible on H.R. 1, the Senate will return to the consideration of the defense appropriations bill. The pending question at that time will be on the adoption of amendment No. 1666 by Mr. PROXMIER. There is a time limitation agreement on the Defense appropriation bill, the agreement to be effective on Monday at such time as the Senate resumes consideration of the defense appropriation bill.

The agreement calls for 2 hours on the bill, 1 hour on any amendment—excepting any end-the-war amendment or any across-the-board funds reduction—one-half hour on any amendment to an

amendment or amendment in the second degree, one-half hour on any debatable motion or appeal. Yea-and-nay votes will occur on amendment, and a yea-and-nay vote will occur on final passage, if final passage is reached on Monday, and I would anticipate, hopefully, that such will be the case.

If the defense appropriation bill is disposed of at a reasonable hour on Monday, it shall be in order for the distinguished majority leader or his designee to proceed to take up the military construction appropriation bill.

#### ADJOURNMENT TO MONDAY, AT 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 o'clock a.m. on Monday next.

The motion was agreed to; and at 3:34 p.m. the Senate adjourned until Monday, October 2, 1972, at 9 a.m.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate, September 30, 1972:

PACIFIC NORTHWEST REGIONAL COMMISSION

Jack O. Padrick, of Virginia, to be Federal Cochairman of the Pacific Northwest Regional Commission.

TENNESSEE VALLEY AUTHORITY

William Lewis Jenkins, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 1981.

## EXTENSIONS OF REMARKS

#### NOTHING TO SHARE

**HON. HARRY F. BYRD, JR.**

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Saturday, September 30, 1972

Mr. HARRY F. BYRD, JR. Mr. President, captioned "Nothing To Share," the Greensburg Tribune-Review, on September 22, published a provocative editorial dealing with revenue sharing.

Like the Greensburg Tribune-Review, I ask, "How can the Government give away something it does not have?"

I was pleased to note that the Tribune-Review quoted the able Senator from Idaho (Mr. JORDAN) in regard to revenue sharing. Senator JORDAN has served as the Governor of his State. In my judgment, he is an outstanding Senator, and I concur in his view, which is quoted by the Tribune-Review, that one reason why States and cities are in financial trouble is that they have wasted their tax money on unessential projects, simply to qualify for Federal funds.

Senator JORDAN pointed out, also, that the Federal Government, itself, is insolvent. We have a smashing deficit of \$430 billion, and we are running a Federal funds deficit this year of \$38 billion.

The Government is deeply in debt, and its annual deficits are smashing. It is

important that public attention be focused on the disastrous condition of the Federal Treasury, and the Greensburg Tribune-Review is helping greatly in this regard.

I ask unanimous consent that the Tribune-Review editorial be published in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### NOTHING TO SHARE

One of President Nixon's first major legislative proposals was to overhaul federal distribution of funds through general revenue-sharing, distorted versions of which have passed the House and Senate.

In 1969 Nixon suggested that the federal government scrap its multitude of specific grant-in-aid programs (which Sen. Len Jordan, R-Idaho, estimates total 500) and replace them with large allocations for general purposes. It was the President's intention to reduce Washington's intrusion into local and state matters by eliminating conflicting and restrictive federal regulations.

Congress, as is its habit, has expanded on Nixon's proposal, offering \$30 billion in handouts in a five year period without either increasing taxation to pay for them or eliminating the various grant-in-aid programs. As presently conceived, revenue-sharing is not a reform but just another bloated program piled on top of other federal programs.

The primary objection to revenue-sharing is that there is no money to share. The federal government is not just broke; it's deeply

in debt. Subsequently, without new taxes, revenue-sharing would be highly inflationary.

Sen. Jordan reminded his colleagues, regrettably without effect, that Washington has run up deficits of almost \$60 billion in the last two fiscal years "and the administration estimates that the deficit for the current fiscal year will be at least \$38 billion." The senator also warned that "general revenue-sharing promotes unsound government because it separates the responsibility for raising revenue from that of spending, thus encouraging reckless spending and discouraging thrift. Some restraint may be expected when a governmental unit has to raise in taxes at least a part of the money that it spends."

The purpose of revenue-sharing is to bail out insolvent governments. Jordan pointed out, however, that one reason states and cities are in financial trouble is because they have wasted their tax money on unessential projects simply to qualify for federal funds. Further, the federal government itself is insolvent.

Sen. Harry Byrd Jr., Ind-Va., noted that revenue-sharing rewards more waste because "if a state or local government were to economize, and reduce its local taxes the federal contribution would be decreased. Under the formula, the way a state or local government would obtain greater dividends from the federal government would be to increase its own taxes."

Revenue-sharing, as it has evolved in Congress, can only share a larger debt with state and local governments. Further, it can only drive up the cost of government on all levels by paying state and local agencies to increase taxation.

The congressional versions of revenue-